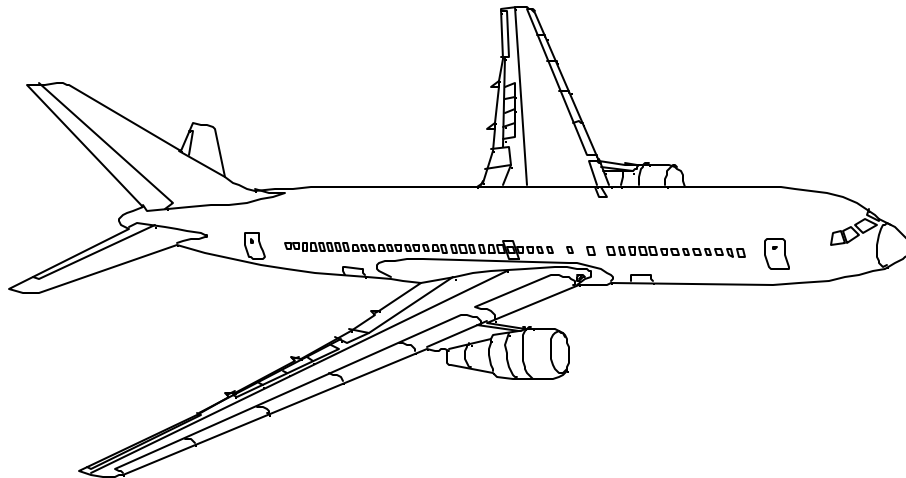


AIRLINE QUARTERLY FINANCIAL REVIEW

FIRST QUARTER 2002



MAJORS



DEPARTMENT OF TRANSPORTATION
OFFICE OF AVIATION ANALYSIS
ECONOMIC AND FINANCIAL ANALYSIS DIVISION

TABLE OF CONTENTS

	<u>DESCRIPTION</u>	<u>PAGE</u>
Introduction		3
Total System Passenger & All-Cargo Majors		4
Chart 1 Operating and Net Profit (Loss) First Quarter 2002 ...		8
Chart 2 Operating and Net Profit (Loss)		
12 Months Ended First Quarter 2002		8
Chart 3 Operating Profit (Loss) By Quarter		9
Chart 4 Net Income (Loss) By Quarter		9
Chart 5 Operating Profit (Loss) By 12-Month Ending Periods ...		10
Chart 6 Net Income (Loss) By 12-Month Ending Periods		10
Chart 7 Operating Revenue Per Revenue Ton-Mile		
Percent Change From Same Period A Year Earlier		11
Chart 8 Ton Load Factor Percentage Point Change From Year Earlier		11
Chart 9 Operating Expense Per Revenue Ton-Mile,		
Percent Change From Same Period A Year Earlier		12
Chart 10 Operating Expense Per Available Ton-Mile,		
Percent Change From Same Period A Year Earlier		12
Total Passenger Majors		13
Chart 11 Passenger Revenues Per Revenue Passenger-Mile,		
Percent Change From Same Period A Year Earlier		17
Chart 12 Revenue Passenger-Miles,		
Percent Change From Same Period A Year Earlier		17
Chart 13 Available Seat-Miles,		
Percent Change From Same Period A Year Earlier		18
Chart 14 Passenger Load Factor, Percentage		
Point Change From Same Period A Year Earlier		18
Chart 15 Passenger (RPM) Yield		19
Chart 16 Passenger Load Factor		19
Alaska Airlines, Inc.		20
America West Airlines, Inc.		21
American Airlines, Inc.		22
American Eagle, Inc.		23
American Trans Air		24
Continental Airlines, Inc.		25
Delta Air Lines, Inc.		26
Northwest Airlines, Inc.		27
Southwest Airlines Co.		28
Trans World Airlines, Inc.		29
United Air Lines, Inc.		30
US Airways, Inc.		31
Total All-Cargo Majors		32
DHL Airways.....		36
Federal Express Corp.		37
United Parcel Service		38
Comparison of Individual Major Operating Profit ant Net Income ...		39
Comparison of Individual Major Scheduled Passenger Load Factor		
And Scheduled Passenger Yield		40
Comparison of Individual Major Operating Profit Margin and Debt ..		41
Footnotes		42
Explanation of Line Items		43

INTRODUCTION

This report contains staff comments, tables and charts on the financial condition of the U.S. major airlines.

The data are presented on both a carrier group and an individual carrier basis, but the primary focus is on the individual major carrier and its performance. Data are presented for the most recent quarterly period and the comparable quarter a year earlier and also on a 12-month ended basis as at the end of the five most recent quarters. In addition, data on charges over comparable periods 12-months earlier are presented. A graphic presentation of comparative trends, on a carrier group basis, is made for several unit and overall financial indicators. In the case of merged carriers, data for the carriers involved have been combined and presented under the name of the surviving carrier so that meaningful comparisons could be made.

All data presented in this financial and traffic review are derived from data reported to the U.S. Department of Transportation on Form 41 Schedules by Large Certificated Air Carriers. For comparison purposes, this analysis is limited to the major scheduled passenger and all-cargo air carriers only. Alaska Airlines, with revenues exceeding \$1 billion in calendar year 1995, became a major airline effective January 1, 1996, and is now included in this review. All financial and traffic results have been retroactively restated to include the operations of Alaska. Certain data in this review is classified in two broad categories: namely "domestic" and "international". "Domestic" encompasses operations within and between the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. It also encompasses Canadian transborder operations and for certain carriers Mexican transborder operations. All other operations are considered "international", which is separated into Atlantic, Latin, and Pacific.

Suggestions from users for the improving either the scope, presentation, or utility of this review are invited. It will also be appreciated if suggestions, discrepancies, and errors in the data are called to the attention of the Economic & Financial Division, Office of Aviation Analysis, Office of the Secretary, U.S. Department of Transportation, Washington, D.C. 20590.

QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL SYSTEM PASSENGER & ALL-CARGO MAJORS

QUARTERLY RESULTS

- American Eagle and American Trans Air achieved major airline status effective January 1, 2000. Beginning with the second quarter 2000, this report will include the results of these carriers. For comparison purposes, all prior period results have been adjusted to include these carriers as well.
- Following the September 11, 2001 terrorist attacks, passenger traffic has been slow to return, resulting in virtually every major passenger airline, suffering significant operating and net losses during the fourth quarter. The all-cargo carriers have been less severely impacted. Year-to-year comparisons were the ever worst for the group, as were overall results.
- For the third consecutive quarter, the rate of decline in operating revenues, down 19.5 percent, exceeded the reduction in operating expenses, down 12.3 percent, resulting in a \$2 billion drop in operating results to a loss of \$2.58 billion. The passenger major group fell \$1.91 billion to a loss of \$2.77 billion, and the all-cargo group slid \$43.5 million but remained in the black with a \$184.6 million profit.
- Due largely to the shutdown in operations, total fuel expense declined 38.2 percent (\$1.42 billion).
- Net income dropped \$1.56 billion to a loss of \$2.39 billion. The passenger major group was down \$1.51 billion to a loss of \$2.47 billion, and the all-cargo group declined \$49.2 million to a positive \$73.4 million.

OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS)						
CARRIER	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	1Q 2000	1Q 2002	\$CHANGE	1Q 2000	1Q 2002	\$CHANGE
TOTAL ALL MAJORS	-630.5	-2582.9	-1952.4	-833.0	-2394.6	-1561.6
TOTAL PASSENGER MAJORS	-858.5	-2767.6	-1909.1	-955.6	-2467.9	-1512.3
ALASKA	-31.6	-41.8	-10.2	-21.6	-28.2	-6.6
AMERICA WEST	-25.3	-121.6	-96.3	-13.1	-337.3	-324.2
AMERICAN	-121.1	-732.5	-611.4	-211.5	-552.2	-340.7
AMERICAN EAGLE	-6.6	-19.8	-13.2	-17.6	-33.2	-15.6
AMERICAN TRANS AIR	-0.7	7.6	8.3	1.1	-7.0	-8.1
CONTINENTAL	97.1	-233.8	-330.9	6.1	-174.5	-180.6
DELTA	-127.2	-409.8	-282.6	-137.5	-398.0	-260.5
NORTHWEST	-230.6	-190.8	39.8	-190.1	-173.0	17.1
SOUTHWEST	209.9	49.6	-160.3	121.0	21.4	-99.6
TRANS WORLD	0.0	0.0	0.0	0.0	0.0	0.0
UNITED	-428.1	-705.9	-277.8	-321.4	-495.9	-174.5
US AIRWAYS	-194.3	-368.7	-174.4	-163.1	-298.2	-135.1
TOTAL ALL-CARGO MAJORS	228.1	184.6	-43.5	122.6	73.4	-49.2
DHL AIRWAYS	-44.8	3.0	47.8	-49.9	1.5	51.4
FEDERAL EXPRESS	225.7	149.6	-76.1	151.5	75.4	-76.1
UNITED PARCEL SERVICE	47.1	32.0	-15.1	21.0	-3.5	-24.5

- RPM traffic was down 10.8 percent but ASM fell faster, down 13.3 percent, causing the passenger load factor to rise 2 percentage points to 70.4 percent
- Despite the decline in passenger traffic, passenger (RPM) yield dropped 13.1 percent to 11.78 cents.
- Interest expense decreased \$187.7 million to \$768.8 million.
- Total debt jumped 38 percent (\$15 billion) to \$54.3 billion, causing the debt-to-investment ratio to rise 11.7 percentage points to 64.5 percent.

12-MONTH RESULTS

- Operating results declined from a year ago for the fourteenth consecutive period, while net results were down for the eighth consecutive period.
- Operating results fell deeper into the red, following seven years of continuous improvements. For the 12 months ended March 2002, operating results plunged \$18 billion from a year ago to a loss of \$12.99 billion. The passenger group declined \$17.5 billion to a \$13.6 billion loss, while the all-cargo group was down \$477.4 million but remained positive with a profit of \$608.5 million.
- Net results dropped \$11 billion to a loss of \$9.3 billion. The passenger group fell \$10.65 billion to a \$9.5 billion loss, and the all-cargo group declined \$354.6 million to a profit of \$201.4 million.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	22,684.6	28,176.4	104,978.9	110,470.7	115,449.9	117,257.6	118,546.1
2	Operating Expenses	25,267.6	28,806.9	117,966.2	121,505.5	121,570.9	116,070.5	113,535.3
3	Operating Profit (Loss)	-2,582.9	-630.5	-12,987.3	-11,034.9	-6,121.0	1,187.1	5,010.8
4	Net Income (Loss)	-2,394.6	-833.0	-9,297.7	-7,736.1	-4,441.9	-893.4	1,709.5
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	134.36	150.69	631.93	648.26	660.95	653.15	654.67
6	ASMs - Scheduled Rev. Svc.	190.99	220.25	893.10	922.36	927.45	906.42	899.64
7	Overall RTMs (All Svc.)	18.88	20.76	86.37	88.25	89.86	89.38	89.93
8	Overall ATMs (All Svc.)	34.54	37.89	158.44	161.79	160.97	156.47	154.79
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	120.1	135.7	121.5	125.2	128.5	131.2	131.8
10	Operating Expense per RTM	133.8	138.8	136.6	137.7	135.3	129.9	126.2
11	Operating Profit (Loss) per RTM	-13.7	-3.0	-15.0	-12.5	-6.8	1.3	5.6
12	Operating Expense per ATM	73.2	76.0	74.5	75.1	75.5	74.2	73.3
13	Passenger Revenue per RPM	11.78	13.55	11.92	12.32	12.76	13.15	13.36
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.24	1.33	1.48	1.61	1.65
15	Times Interest Earned	*	*	-3.93	-3.48	-1.86	0.67	2.77
16	Current Assets to Current Liabilities	*	*	0.81	0.87	0.83	0.66	0.70
17	No. of Days Cash Coverage of Cash Exp.	*	*	45.2	58.6	54.9	29.7	32.6
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-11.4	-2.2	-12.4	-10.0	-5.3	1.0	4.2
19	Net Income to Stockholders Equity	*	*	-26.1	-21.1	-12.1	-2.5	4.7
20	Corporate Return on Investment	*	*	-8.0	-6.5	-3.0	1.5	5.1
21	Debt to Total Investment	*	*	64.5	61.5	57.0	53.3	52.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	70.4	68.4	70.8	70.3	71.3	72.1	72.8
23	Breakeven	83.9	73.0	85.0	82.1	78.4	72.8	70.6
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	497,734	563,885	532,521	549,057	561,387	562,620	563,230
25	Overall RTM's per Employee (000)	37.9	36.8	162.2	160.7	160.1	158.9	159.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-19.5	3.1	-11.5	-6.2	-0.2	3.9	7.8
27	Operating Expenses (%)	-12.3	8.9	3.9	9.3	12.2	10.1	10.5
28	Operating Profit (Loss) (in Millions \$)	-1,952.4	-1,529.1	-17,998.1	-17,574.8	-13,425.1	-6,268.9	-2,217.3
29	Net Income (Loss)(in Millions \$)	-1,561.6	-890.0	-11,007.2	-10,335.6	-8,038.6	-5,015.4	-2,803.2
30	RPMs (Sch. Svc.) (%)	-10.8	2.0	-3.5	-0.6	2.3	2.4	5.0
31	ASMs (Sch. Svc.) (%)	-13.3	2.2	-0.7	3.1	4.2	2.6	2.9
32	Operating Revenues per RTM (%)	-11.5	2.6	-7.8	-4.4	-0.8	2.4	3.3
33	Operating Expense per RTM (%)	-3.6	8.5	8.2	11.3	11.4	8.5	5.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.1	1.0	-10.8	-7.6	-3.0	1.3	4.1

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	17,255.5	21,443.8	73,377.5	77,565.8	83,765.0	88,353.1	89,654.8
2	Operating Expenses	19,384.3	21,933.3	82,444.6	84,993.5	87,964.6	87,846.9	85,883.7
3	Operating Profit (Loss)	-2,128.8	-489.4	-9,067.1	-7,427.7	-4,199.6	506.2	3,771.2
4	Net Income (Loss)	-1,980.9	-744.1	-7,260.4	-6,023.5	-3,728.6	-1,152.1	1,094.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	98.11	109.22	419.68	430.79	453.78	468.92	470.92
6	ASMs - Scheduled Rev. Svc.	143.32	162.37	601.42	620.46	648.56	662.83	658.64
7	Overall RTMs (All Svc.)	12.63	13.67	52.93	53.97	56.50	58.43	58.92
8	Overall ATMs (All Svc.)	23.84	25.48	97.74	99.38	102.37	104.03	103.17
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	136.6	156.9	138.6	143.7	148.2	151.2	152.2
10	Operating Expense per RTM	153.5	160.5	155.8	157.5	155.7	150.3	145.8
11	Operating Profit (Loss) per RTM	-16.9	-3.6	-17.1	-13.8	-7.4	0.9	6.4
12	Operating Expense per ATM	81.3	86.1	84.4	85.5	85.9	84.4	83.2
13	Passenger Revenue per RPM	12.61	14.63	12.68	13.19	13.75	14.17	14.41
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-12.3	-2.3	-12.4	-9.6	-5.0	0.6	4.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-9.0	-7.4	-3.8	0.6	4.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.5	67.3	69.8	69.4	70.0	70.7	71.5
23	Breakeven	81.8	71.8	83.2	80.2	76.2	71.6	69.3
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-19.5	1.7	-18.2	-13.1	-4.7	2.5	6.4
27	Operating Expenses (%)	-11.6	8.3	-4.0	0.9	6.9	9.3	9.4
28	Operating Profit (Loss) (in Millions \$)	-1,639.4	-1,310.9	-12,838.3	-12,509.8	-9,843.9	-5,264.4	-1,923.1
29	Net Income (Loss)(in Millions \$)	-1,236.8	-902.2	-8,355.1	-8,020.4	-6,656.2	-4,643.9	-2,764.6
30	RPMs (Sch. Svc.) (%)	-10.2	0.4	-10.9	-8.4	-3.1	1.2	3.7
31	ASMs (Sch. Svc.) (%)	-11.7	0.9	-8.7	-5.6	-1.1	1.5	1.7
32	Operating Revenues per RTM (%)	-12.9	3.0	-8.9	-4.9	-0.5	2.7	3.8
33	Operating Expense per RTM (%)	-4.4	9.6	6.9	10.5	11.7	9.4	6.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.8	0.9	-12.0	-8.3	-3.0	1.3	4.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER & ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,429.2	6,732.6	24,743.4	26,046.8	27,883.3	28,904.5	28,891.2
2	Operating Expenses	5,883.3	6,873.6	26,782.4	27,772.8	28,732.5	28,223.6	27,651.6
3	Operating Profit (Loss)	-454.1	-141.1	-2,039.0	-1,726.0	-849.2	680.9	1,239.6
4	Net Income (Loss)	-413.6	-88.9	-1,212.0	-887.3	-422.5	258.6	614.8
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	36.25	41.46	162.02	167.23	179.03	184.23	183.75
6	ASMs - Scheduled Rev. Svc.	47.66	57.88	218.69	228.91	239.99	243.59	241.00
7	Overall RTMs (All Svc.)	6.25	7.09	27.48	28.31	30.04	30.95	31.01
8	Overall ATMs (All Svc.)	10.70	12.42	48.44	50.16	52.06	52.44	51.62
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	86.8	95.0	90.1	92.0	92.8	93.4	93.2
10	Operating Expense per RTM	94.1	97.0	97.5	98.1	95.7	91.2	89.2
11	Operating Profit (Loss) per RTM	-7.3	-2.0	-7.4	-6.1	-2.8	2.2	4.0
12	Operating Expense per ATM	55.0	55.4	55.3	55.4	55.2	53.8	53.6
13	Passenger Revenue per RPM	9.54	10.70	9.82	10.10	10.34	10.54	10.65
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-8.4	-2.1	-8.2	-6.6	-3.0	2.4	4.3
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-3.3	-1.9	0.4	4.1	6.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.1	71.6	74.1	73.1	74.6	75.6	76.2
23	Breakeven	89.9	76.4	86.7	83.4	80.9	75.8	73.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-19.4	7.5	-14.4	-8.4	0.4	8.2	12.2
27	Operating Expenses (%)	-14.4	11.1	-3.2	3.0	10.0	12.7	14.2
28	Operating Profit (Loss) (in Millions \$)	-313.0	-218.3	-3,278.6	-3,183.9	-2,508.9	-1,004.5	-294.2
29	Net Income (Loss)(in Millions \$)	-324.7	12.2	-1,826.8	-1,489.9	-1,091.7	-371.6	-38.5
30	RPMs (Sch. Svc.) (%)	-12.6	6.3	-11.8	-7.8	0.5	5.7	8.5
31	ASMs (Sch. Svc.) (%)	-17.7	5.9	-9.3	-3.7	2.7	5.7	6.4
32	Operating Revenues per RTM (%)	-8.6	3.7	-3.3	-0.4	1.1	3.3	4.0
33	Operating Expense per RTM (%)	-3.0	7.2	9.3	11.9	10.9	7.7	5.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.8	2.8	-7.8	-4.5	-1.6	2.1	4.7

COMPARISONS AMONG MAJOR GROUP AIRLINES

Chart 1.
OPERATING AND NET PROFIT (LOSS)
FIRST QUARTER 2002

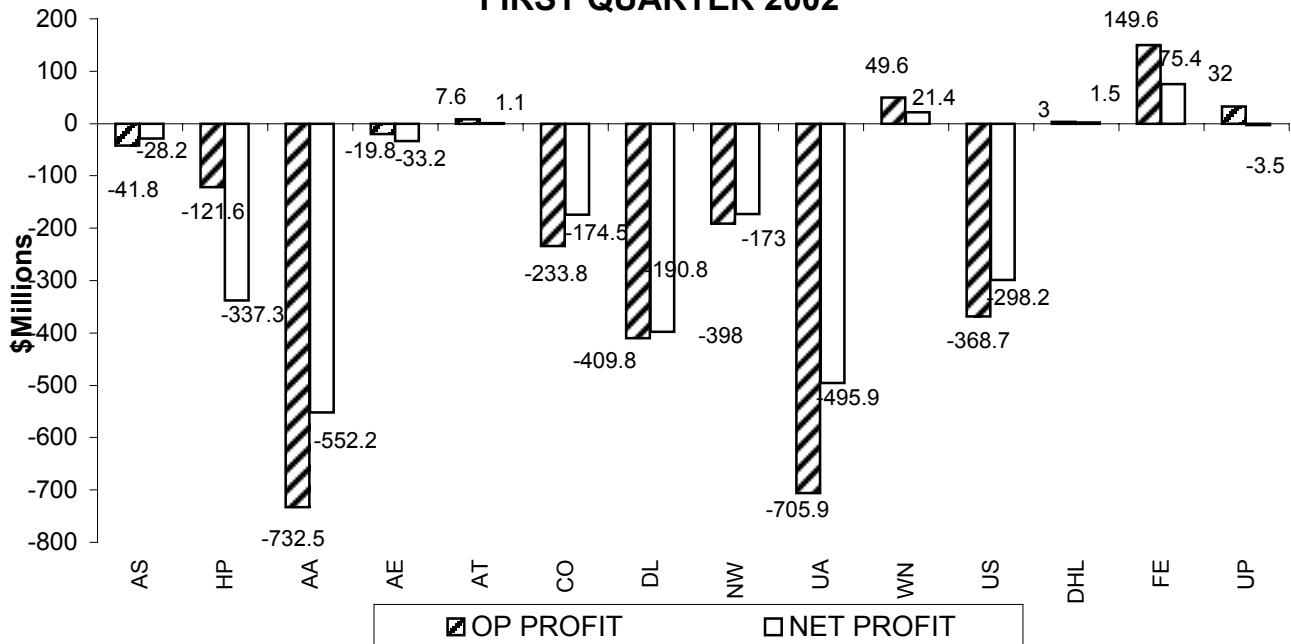
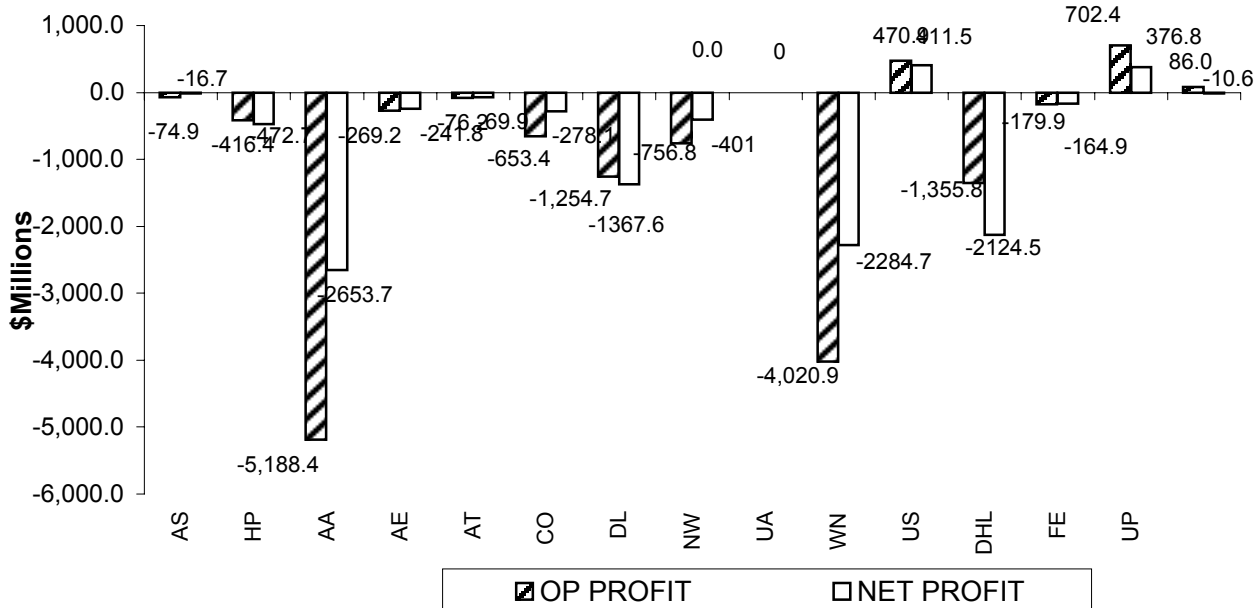


Chart 2.
OPERATING AND NET PROFIT (LOSS)
12 MONTHS ENDED FIRST QUARTER 2002



TOTAL ALL MAJORS (SYSTEM) BY QUARTER

Chart 3.
OPERATING PROFIT (LOSS)
(\$BILLIONS)

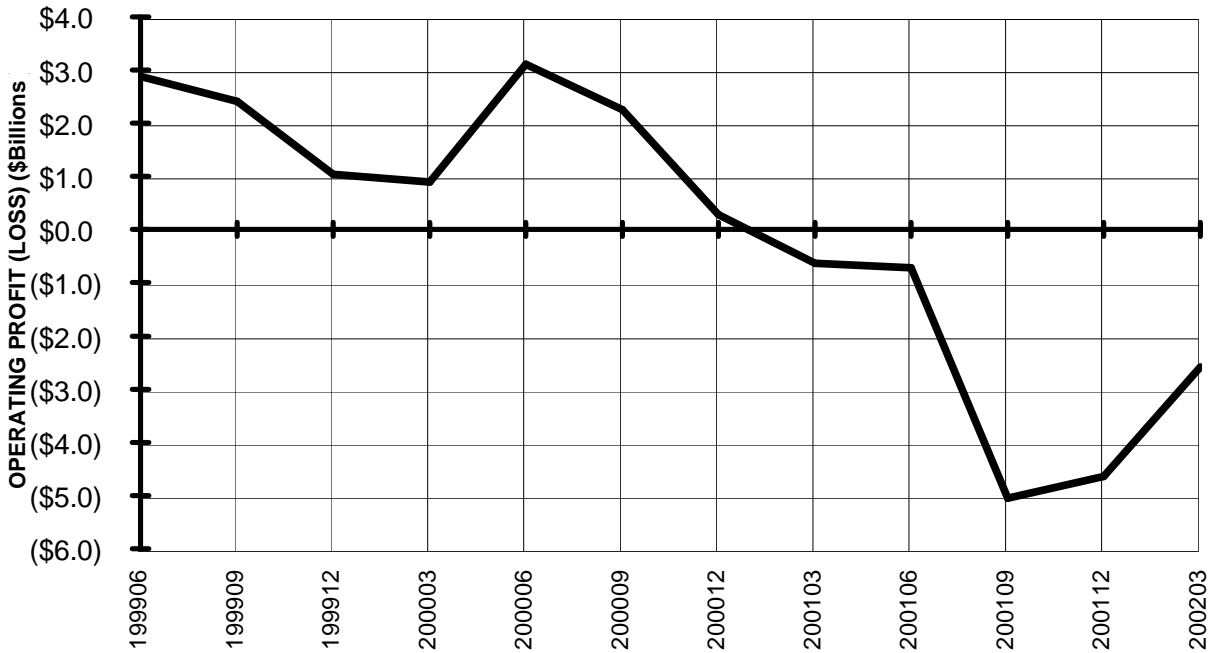
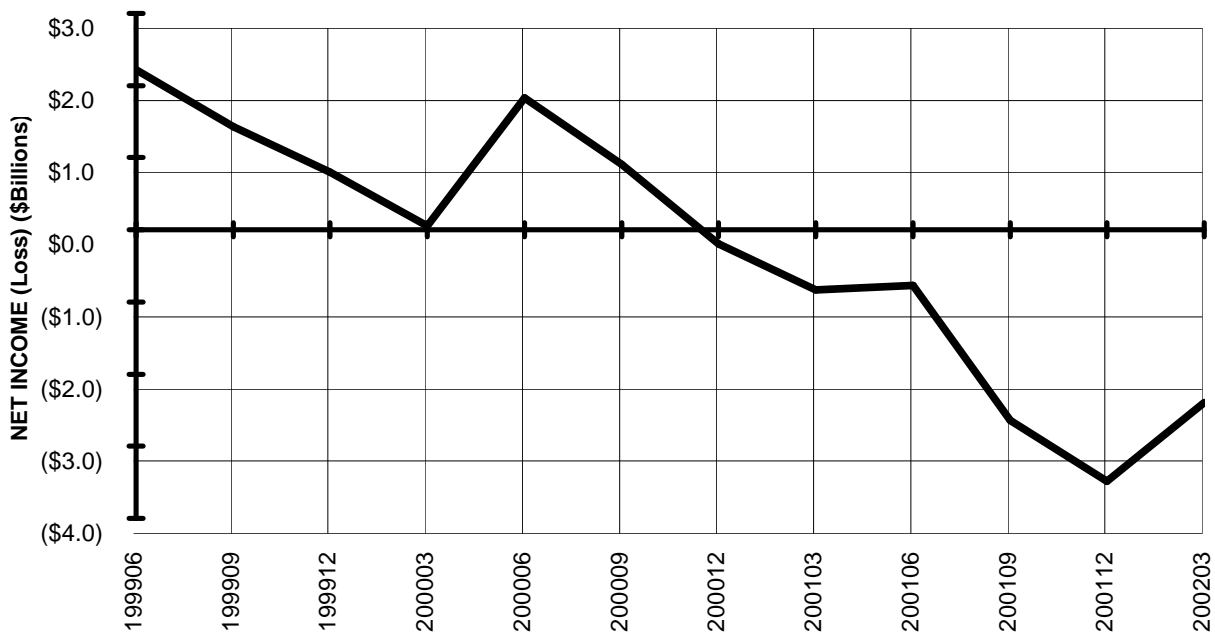
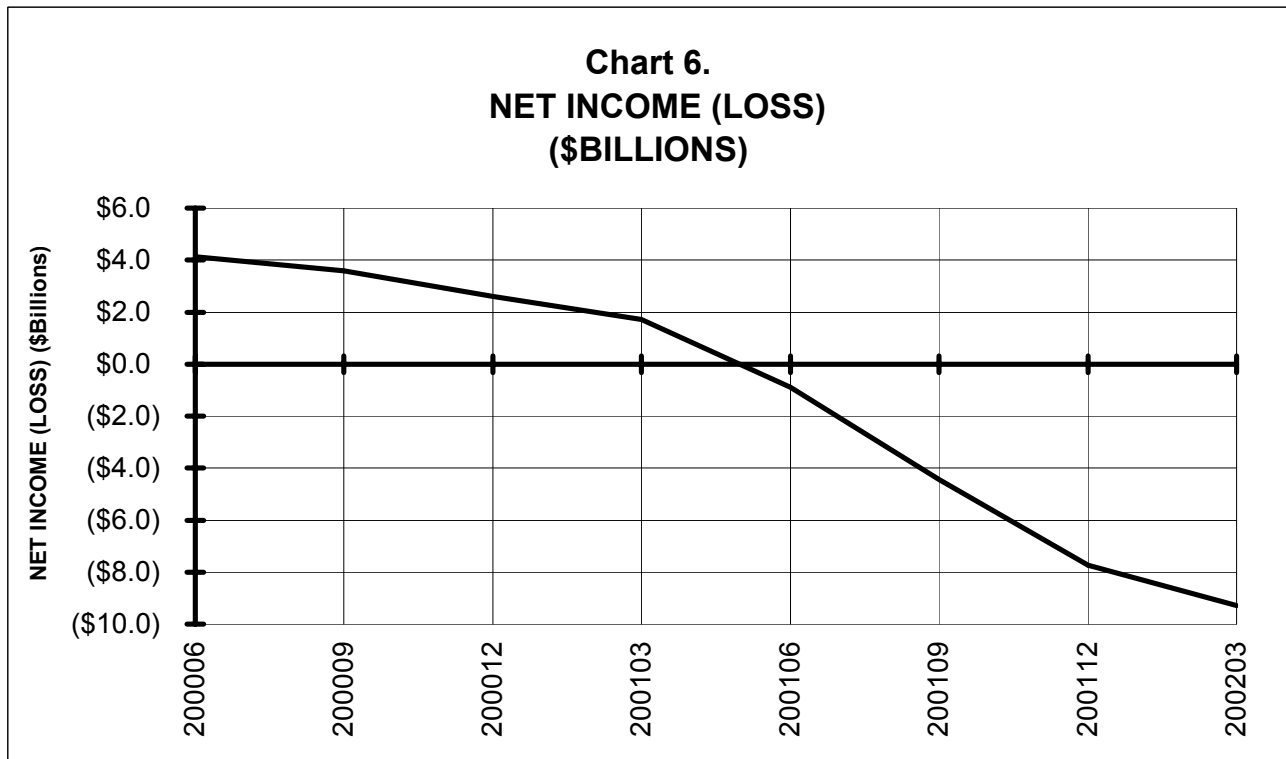
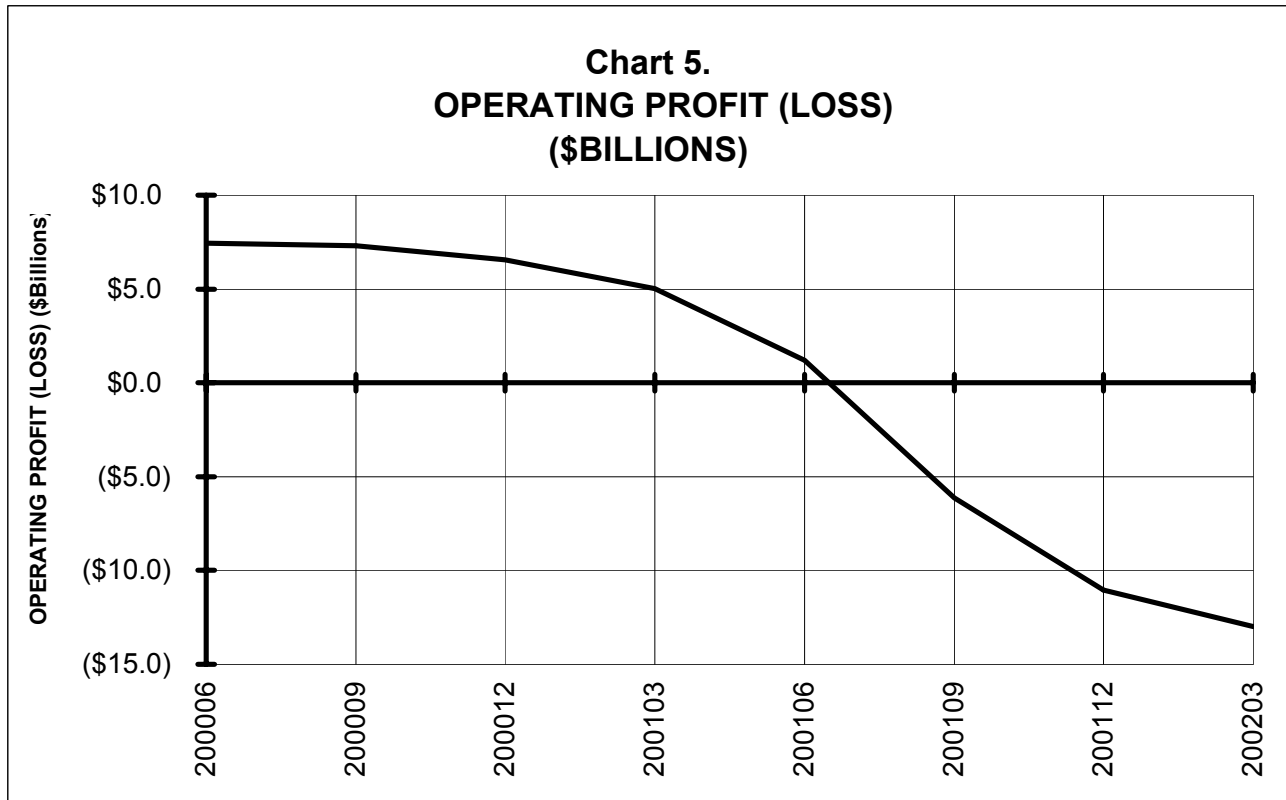


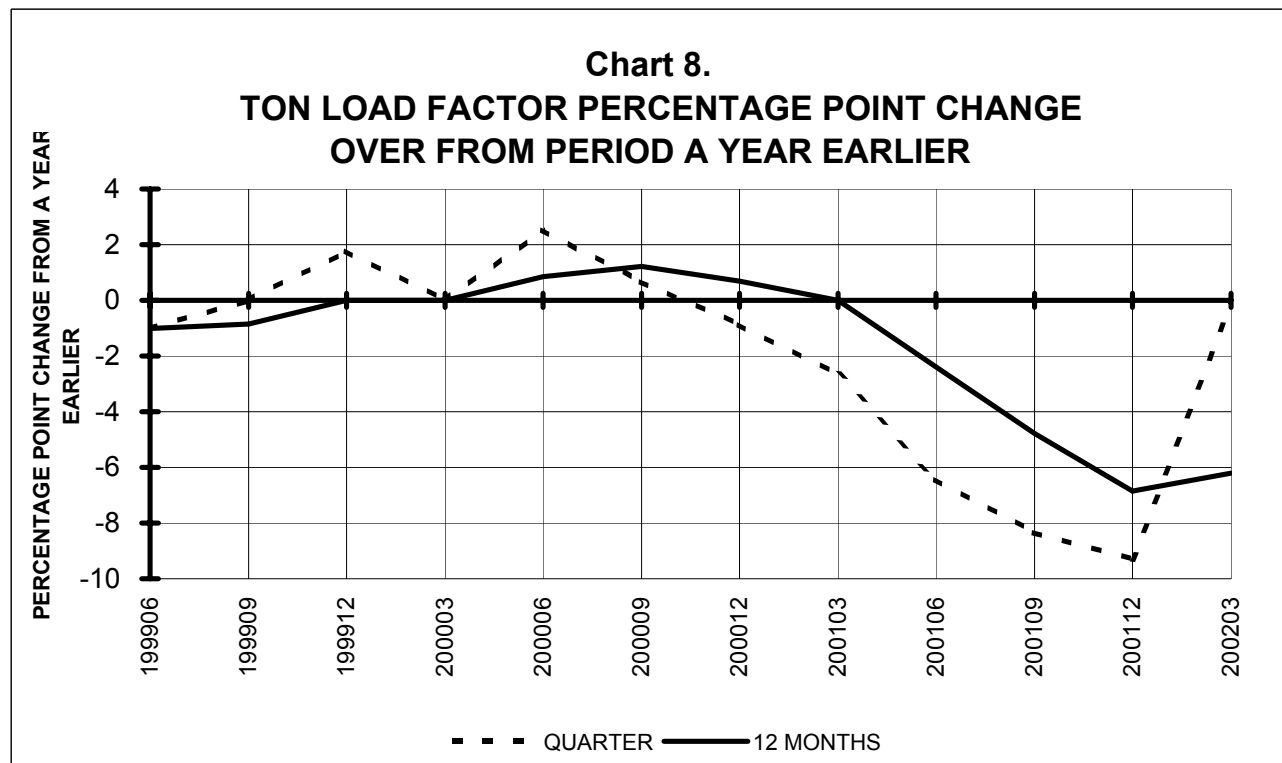
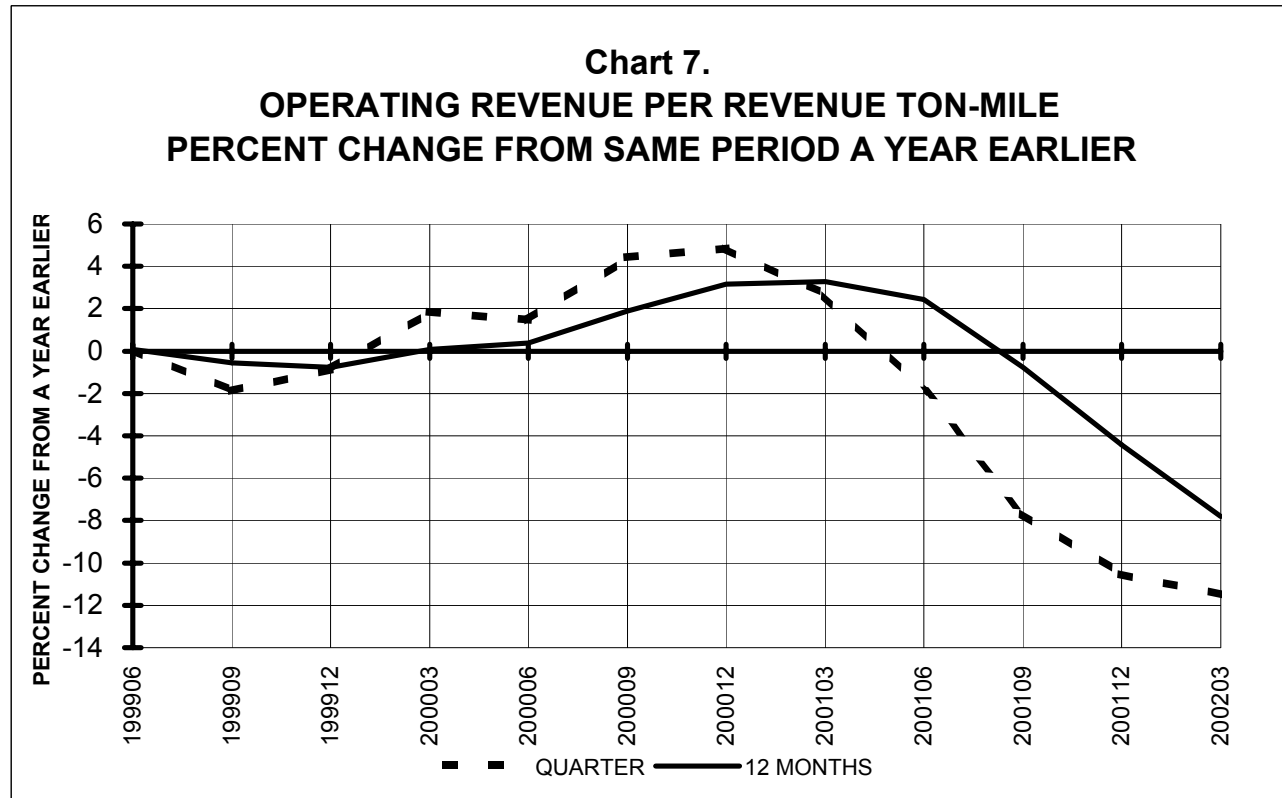
Chart 4.
NET INCOME (LOSS)
(\$BILLIONS)



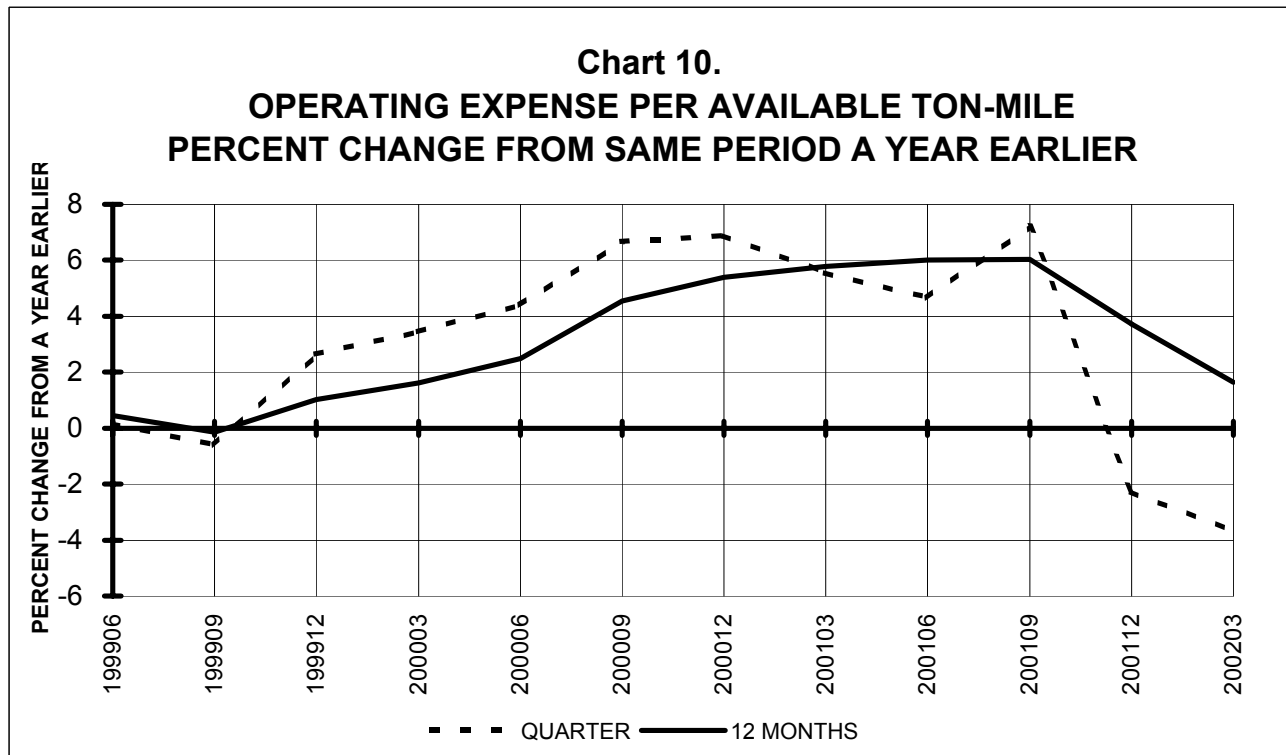
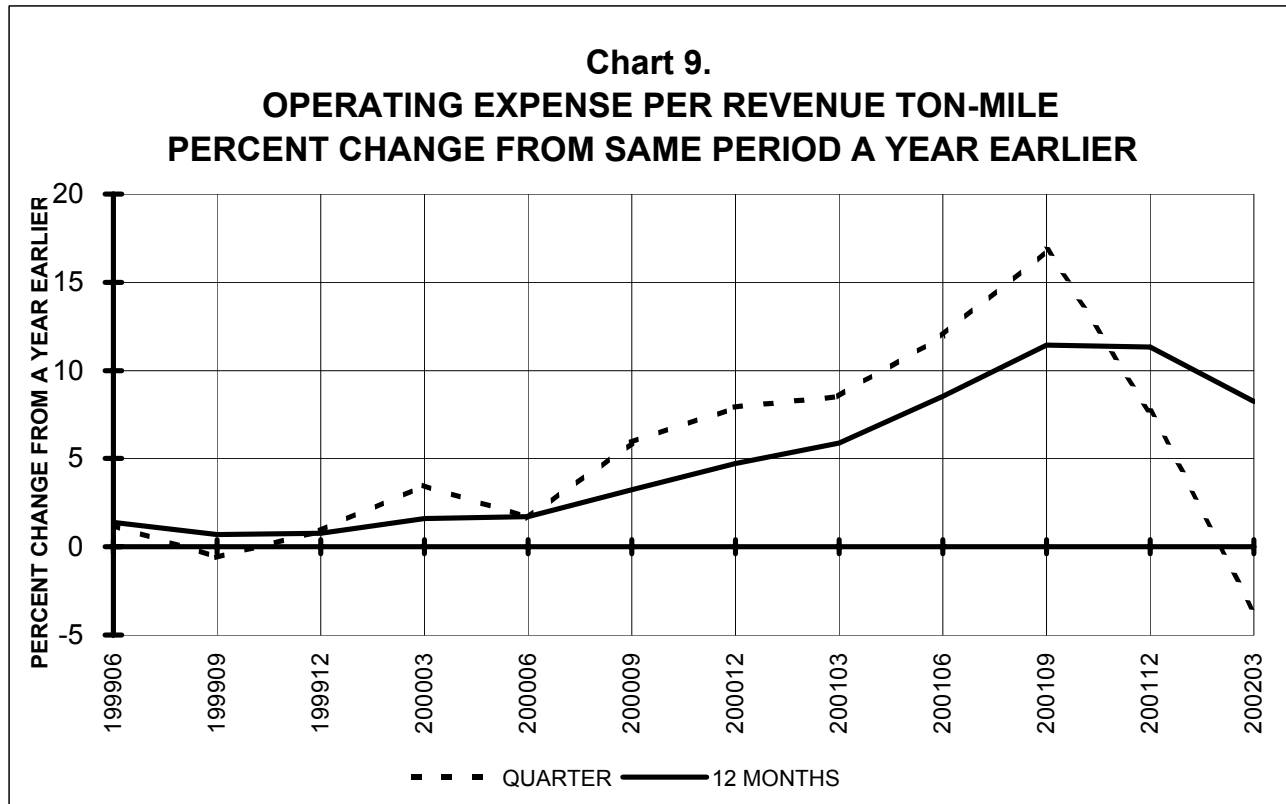
TOTAL ALL MAJORS (SYSTEM) BY 12-MONTH ENDING PERIODS



TOTAL ALL MAJORS (SYSTEM) QUARTERLY AND 12-MONTH BASIS



TOTAL ALL MAJORS (SYSTEM) **QUARTERLY AND 12-MONTH BASIS**



QUARTERLY FINANCIAL & TRAFFIC REVIEW

TOTAL PASSENGER MAJORS 1/

QUARTERLY RESULTS

- Beginning with the first quarter March 2002, Trans World is now combined with American and no longer reports data as an individual operating carrier. For comparison purposes, all prior period data for American has been adjusted so as to include TWA on a pro forma basis.
- Continued weakness in the U.S. economy and a slow return of airline passenger traffic hampered the ability of many of the major carriers to return to profitability. Revenue passenger traffic (RPMs) and passenger yields were down significantly for nearly every major carrier resulting in the largest operating and net losses ever reported by the group in airline history.
- Only American Trans Air and Northwest reported an improvement in either operating or net results, with only ATA returning to profitability. Southwest was down significantly from the prior year, but did manage to remain in the black with both an operating and net profit.
- For the group, operating expenses were cut 13.4 percent, but operating revenues fell 22 percent, resulting in a \$1.91 billion drop in operating results to a loss of \$2.77 billion. American experienced the largest losses and deteriorations among the group.
- Due in large part to the sharp reductions in operations, fuel consumption was down 17.9 percent, total fuel expense fell 38.5 percent (\$1.3 billion).
- Net income dropped \$1.51 billion to a loss of \$2.47 billion.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 2001	THIS YEAR 2002	\$ Change	LAST YEAR 2001	THIS YEAR 2002	\$ Change
March	-858.5	-2,767.6	-1,909.0	-955.6	-2,467.9	-1,512.4
June	-724.4	0.0	-	-729.2	0.0	-
Sept.	-4,271.3	0.0	-	-2,462.3	0.0	-
Dec.	-4,316.8	0.0	-	-3,256.1	0.0	-

- Although the rate of decline has slowed from prior quarters since 9/11, RPM traffic still fell 10.8 percent in the first quarter, but ASM capacity was down 13.3 percent, boosting the passenger load factor 2 percentage points to 70.4 percent. Only American Trans Air and Southwest, two majors that actually increased seat capacity, experienced a decline in load factor.
- Every major carrier showed a drop in passenger (RPM) yield, which for the group fell 13.1 percent to 11.78 cents.
- All entities experienced deteriorations and losses in both operating and net results. The domestic entity had by the far the worst performance, however, with operating results dropping \$1.58 billion to a \$2.19 billion loss, and net results falling \$1.24 billion to a loss of \$1.99 billion.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	2001	2002	\$ Change	2001	2002	\$ Change	2001	2002	Change %	2001	2002	Change %	
Domestic	-605.1	-2,189.9	-1,584.8	-756.9	-1,992.7	-1,235.8	109.2	98.1	-10.2	162.4	143.3	-11.7	68.5%
Int'l	-253.4	-577.6	-324.2	-198.6	-475.2	-276.6	41.5	36.2	-12.6	57.9	47.7	-17.6	76.1%
Atlantic	-142.5	-301.8	-159.3	-133.7	-261.1	-127.4	18.2	15.7	-13.8	26.1	21.1	-18.9	74.3%
Latin	67.0	-85.5	-152.5	62.2	-68.7	-131.0	9.6	9.1	-5.0	13.6	13.0	-4.4	70.0%
Pacific	-177.9	-190.4	-12.4	-127.2	-145.4	-18.2	13.7	11.5	-16.2	18.2	13.6	-25.7	84.6%
System	-858.5	-2,767.6	-1,909.0	-955.6	-2,467.9	-1,512.4	150.7	134.4	-10.8	220.2	191.0	-13.3	70.4%

- The operating profit margin fell from a negative 3.7 percent a year ago to a negative 15.3 percent, a deterioration of 11.4 percentage points to the downside.

12-MONTH RESULTS

- Operating expenses declined 2.7 percent but operating revenues fell faster, down 18.8 percent, resulting in a sharp drop in operating results, down \$16 billion to a loss of \$12.1 billion. All majors contributed to the decline and many reported individual carrier record losses, with the lone exception of Southwest.
- Net income also fell into the red, down nearly \$10.1 billion to an \$8.92 billion loss.
- The passenger load slid 2 percentage points to 70.8 percent and passenger (RPM) yield fell 11.1 percent to 11.88 cents.

1/ American Trans Air and American Eagle became major air carriers effective January 1, 2000. For comparison purposes, all financial and traffic results for prior periods have been revised to reflect the inclusion of these two carriers.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	18,142.8	23,270.8	80,239.1	85,367.2	92,915.6	97,609.6	98,796.5
2	Operating Expenses	20,910.3	24,129.4	92,319.1	95,538.2	98,734.1	97,213.1	94,871.5
3	Operating Profit (Loss)	-2,767.6	-858.5	-12,080.0	-10,171.0	-5,818.5	396.6	3,924.9
4	Net Income (Loss)	-2,467.9	-955.6	-8,915.5	-7,403.1	-4,444.3	-1,238.9	1,153.5
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	134.36	150.69	590.38	606.71	638.19	653.15	654.67
6	ASMs - Scheduled Rev. Svc.	190.99	220.25	833.70	862.95	896.51	906.42	899.64
7	Overall RTMs (All Svc.)	15.68	17.78	68.74	70.84	74.85	76.92	77.33
8	Overall ATMs (All Svc.)	29.08	32.87	126.77	130.56	135.03	135.97	134.41
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	115.7	130.9	116.7	120.5	124.1	126.9	127.8
10	Operating Expense per RTM	133.4	135.7	134.3	134.9	131.9	126.4	122.7
11	Operating Profit (Loss) per RTM	-17.7	-4.8	-17.6	-14.4	-7.8	0.5	5.1
12	Operating Expense per ATM	71.9	73.4	72.8	73.2	73.1	71.5	70.6
13	Passenger Revenue per RPM	11.78	13.55	11.88	12.31	12.77	13.15	13.36
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.16	1.27	1.42	1.54	1.59
15	Times Interest Earned	*	*	-4.09	-3.65	-2.11	0.32	2.37
16	Current Assets to Current Liabilities	*	*	0.79	0.78	0.76	0.63	0.66
17	No. of Days Cash Coverage of Cash Exp.	*	*	57.3	61.8	58.0	34.9	38.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.3	-3.7	-15.1	-11.9	-6.3	0.4	4.0
19	Net Income to Stockholders Equity	*	*	-32.6	-25.8	-14.7	-4.0	3.7
20	Corporate Return on Investment	*	*	-9.5	-7.8	-3.8	1.0	4.8
21	Debt to Total Investment	*	*	67.4	65.4	60.1	54.2	53.5
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.4	68.4	70.8	70.3	71.2	72.1	72.8
23	Breakeven	85.2	73.6	85.2	82.1	78.2	73.2	70.9
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	397,949	455,786	433,710	448,168	457,499	455,297	456,308
25	Overall RTM's per Employee (000)	39.4	39.0	158.5	158.1	163.6	169.0	169.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-22.0	3.1	-18.8	-13.0	-3.4	4.0	8.1
27	Operating Expenses (%)	-13.4	10.4	-2.7	3.2	9.7	11.1	11.3
28	Operating Profit (Loss) (in Millions \$)	-1,909.1	-1,570.6	-16,004.9	-15,666.6	-11,972.0	-6,008.0	-2,266.7
29	Net Income (Loss)(in Millions \$)	-1,512.3	-930.3	-10,069.0	-9,486.9	-7,400.7	-4,764.9	-2,789.2
30	RPMs (Sch. Svc.) (%)	-10.8	2.0	-9.8	-6.9	-1.2	2.4	5.0
31	ASMs (Sch. Svc.) (%)	-13.3	2.2	-7.3	-3.6	0.8	2.6	2.9
32	Operating Revenues per RTM (%)	-11.6	2.3	-8.7	-5.2	-1.0	2.4	3.6
33	Operating Expense per RTM (%)	-1.7	9.5	9.5	12.5	12.4	9.4	6.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.1	1.0	-11.1	-7.7	-3.0	1.3	4.1

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL PASSENGER MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	13,980.4	17,922.4	59,929.5	63,871.5	69,929.4	74,243.3	75,389.1
2	Operating Expenses	16,164.2	18,527.5	69,106.4	71,469.7	74,282.5	74,129.5	72,225.0
3	Operating Profit (Loss)	-2,183.8	-605.1	-9,176.9	-7,598.2	-4,353.1	113.8	3,164.1
4	Net Income (Loss)	-1,988.5	-756.9	-7,166.9	-5,935.3	-3,676.5	-1,184.7	901.2
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	98.11	109.22	419.68	430.79	453.78	468.92	470.92
6	ASMs - Scheduled Rev. Svc.	143.32	162.37	601.42	620.46	648.56	662.83	658.64
7	Overall RTMs (All Svc.)	10.57	11.89	45.21	46.53	49.23	51.00	51.32
8	Overall ATMs (All Svc.)	20.19	22.35	84.03	86.19	89.64	91.29	90.37
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	132.2	150.8	132.6	137.3	142.0	145.6	146.9
10	Operating Expense per RTM	152.9	155.9	152.9	153.6	150.9	145.4	140.7
11	Operating Profit (Loss) per RTM	-20.7	-5.1	-20.3	-16.3	-8.8	0.2	6.2
12	Operating Expense per ATM	80.1	82.9	82.2	82.9	82.9	81.2	79.9
13	Passenger Revenue per RPM	12.61	14.63	12.68	13.19	13.75	14.17	14.41
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-15.6	-3.4	-15.3	-11.9	-6.2	0.2	4.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-10.2	-8.3	-4.3	0.5	4.9
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.5	67.3	69.8	69.4	70.0	70.7	71.5
23	Breakeven	82.7	72.0	83.6	80.5	76.3	71.5	69.2
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

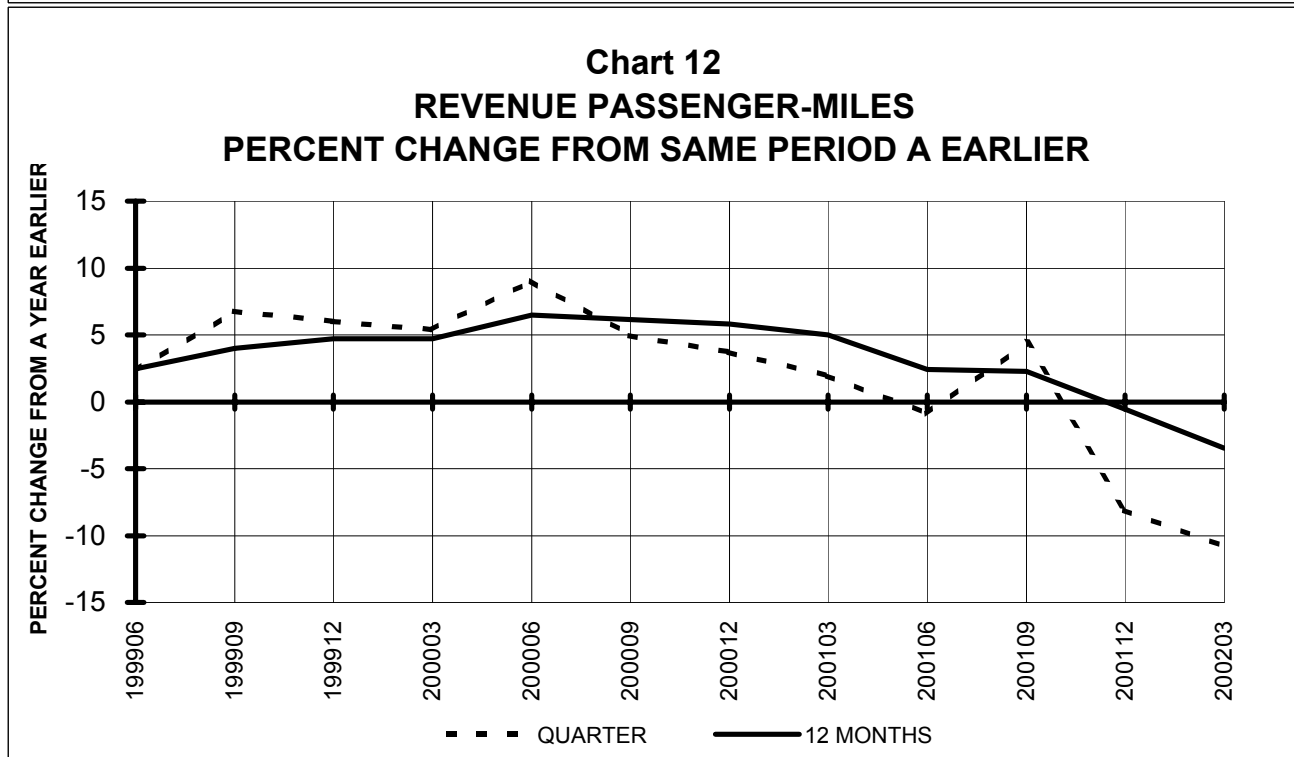
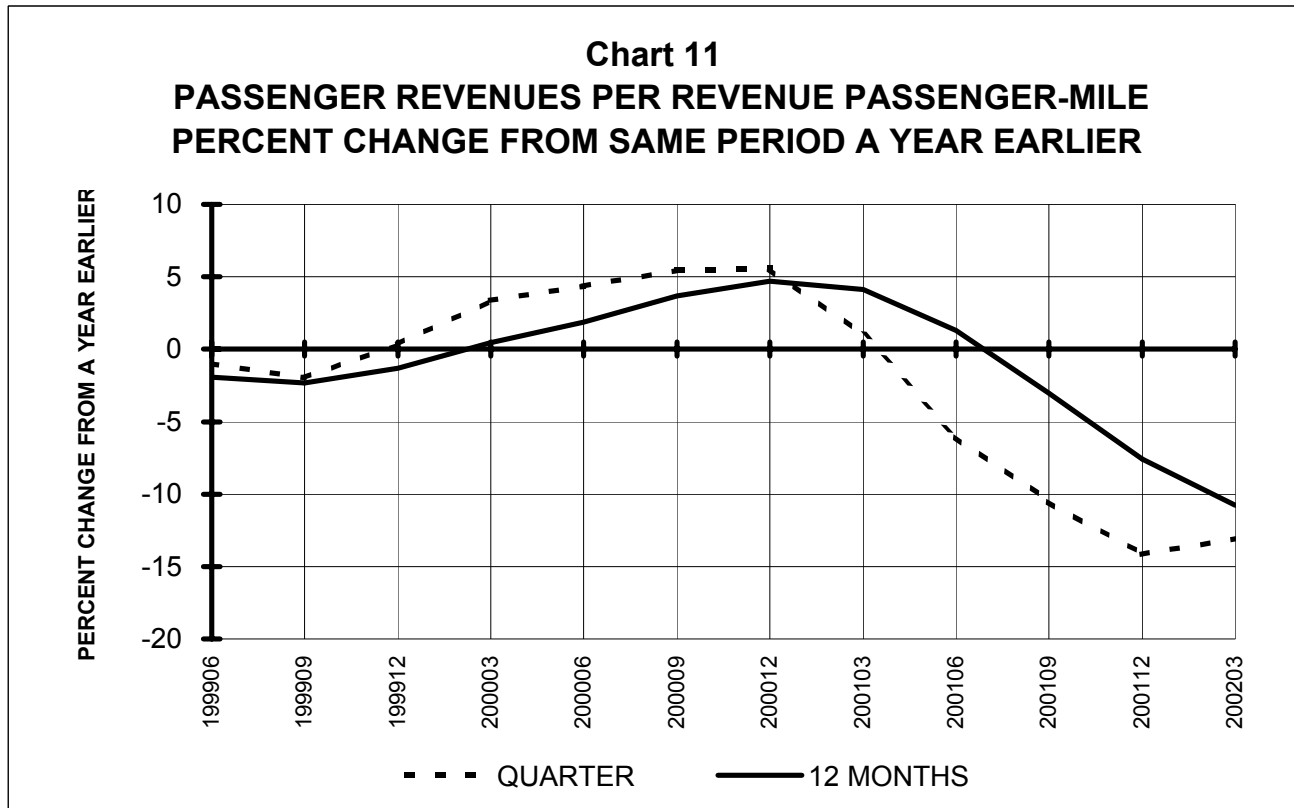
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-22.0	1.7	-20.5	-15.0	-5.2	2.7	6.9
27	Operating Expenses (%)	-12.8	10.1	-4.3	1.3	8.2	10.7	10.6
28	Operating Profit (Loss) (in Millions \$)	-1,578.7	-1,406.8	-12,341.0	-12,169.1	-9,446.3	-5,217.9	-2,075.1
29	Net Income (Loss)(in Millions \$)	-1,231.6	-887.9	-8,068.1	-7,724.4	-6,326.0	-4,323.0	-2,561.9
30	RPMs (Sch. Svc.) (%)	-10.2	0.4	-10.9	-8.4	-3.1	1.2	3.7
31	ASMs (Sch. Svc.) (%)	-11.7	0.9	-8.7	-5.6	-1.1	1.5	1.7
32	Operating Revenues per RTM (%)	-12.3	2.2	-9.7	-6.1	-1.4	2.3	3.7
33	Operating Expense per RTM (%)	-1.9	10.6	8.7	11.9	12.5	10.3	7.3
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.8	0.9	-12.0	-8.3	-3.0	1.3	4.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL PASSENGER MAJORS

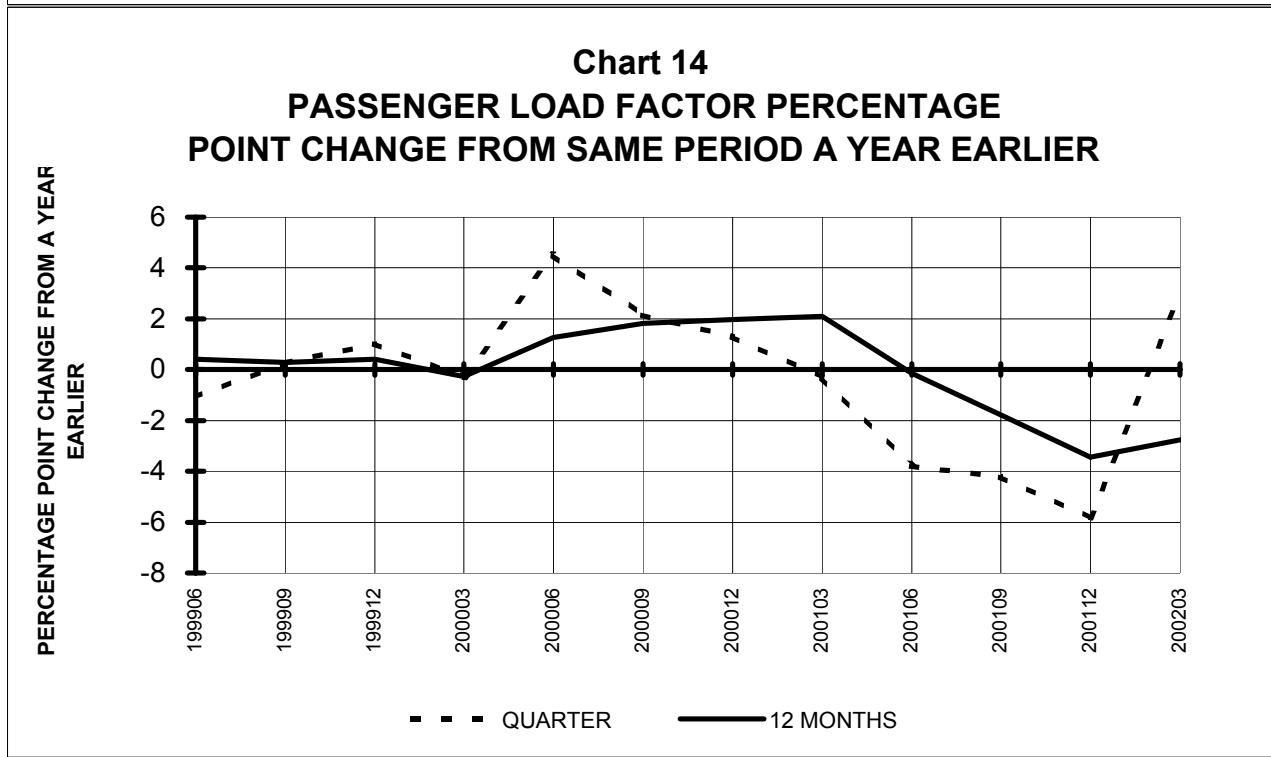
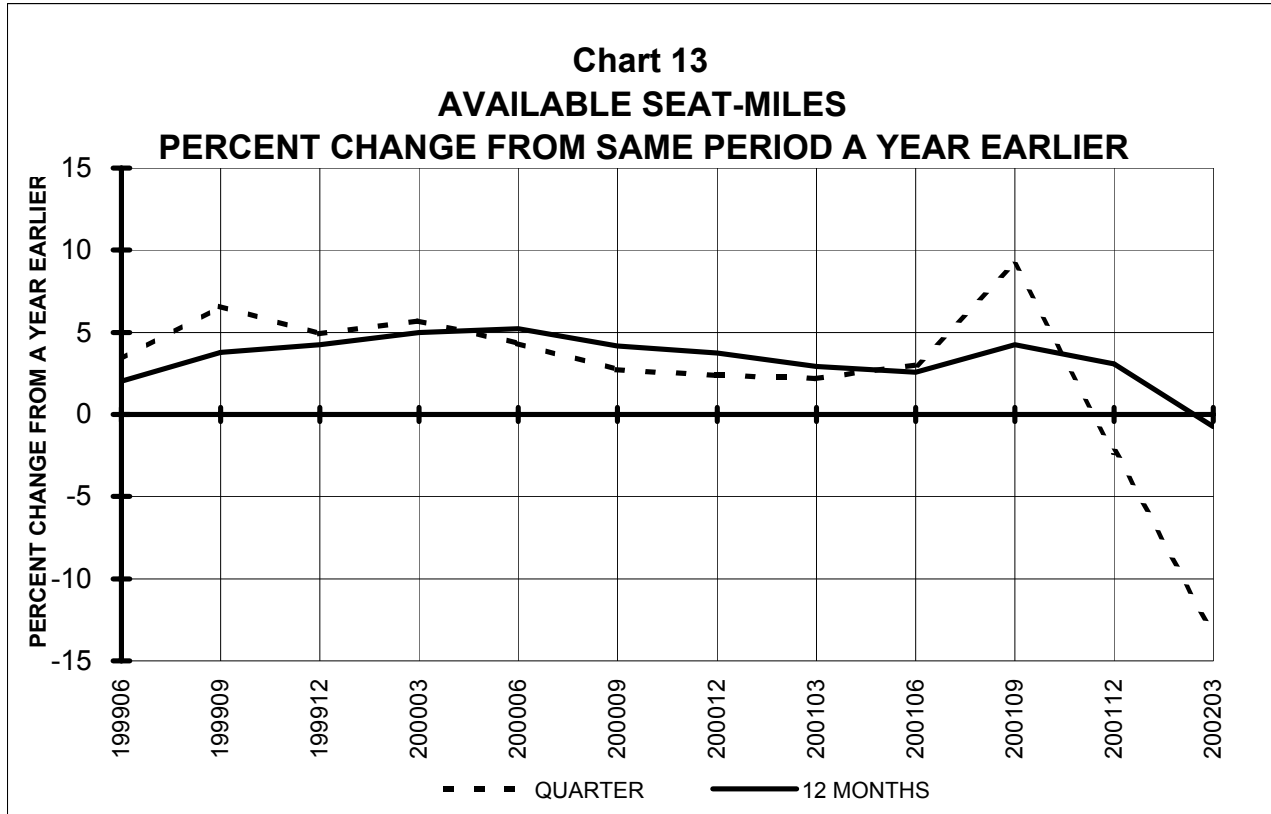
ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,162.4	5,348.4	19,263.1	20,449.1	22,376.3	23,366.3	23,407.4
2	Operating Expenses	4,740.1	5,601.9	21,825.3	22,687.1	23,601.5	23,083.6	22,646.6
3	Operating Profit (Loss)	-577.6	-253.4	-2,562.2	-2,238.0	-1,225.2	282.7	760.8
4	Net Income (Loss)	-475.2	-198.6	-1,439.4	-1,162.8	-679.5	-54.2	252.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	36.25	41.46	162.55	167.76	179.48	184.23	183.75
6	ASMs - Scheduled Rev. Svc.	47.66	57.88	219.47	229.69	240.60	243.59	241.00
7	Overall RTMs (All Svc.)	5.10	5.89	22.69	23.47	25.11	25.93	26.01
8	Overall ATMs (All Svc.)	8.89	10.53	40.92	42.56	44.36	44.67	44.04
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	81.5	90.8	84.9	87.1	89.1	90.1	90.0
10	Operating Expense per RTM	92.9	95.1	96.2	96.7	94.0	89.0	87.1
11	Operating Profit (Loss) per RTM	-11.3	-4.3	-11.3	-9.5	-4.9	1.1	2.9
12	Operating Expense per ATM	53.3	53.2	53.3	53.3	53.2	51.7	51.4
13	Passenger Revenue per RPM	9.54	10.70	9.81	10.09	10.34	10.54	10.65
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-13.9	-4.7	-13.3	-10.9	-5.5	1.2	3.3
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-5.5	-4.2	-1.4	2.5	4.4
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.1	71.6	74.1	73.0	74.6	75.6	76.2
23	Breakeven	92.7	78.8	89.7	86.2	83.0	77.6	75.7
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-22.2	8.4	-17.7	-11.1	-0.3	8.1	12.0
27	Operating Expenses (%)	-15.4	11.5	-3.6	2.8	10.4	12.3	13.6
28	Operating Profit (Loss) (in Millions \$)	-324.2	-163.8	-3,323.0	-3,162.7	-2,285.5	-790.2	-191.6
29	Net Income (Loss)(in Millions \$)	-276.6	-42.3	-1,691.8	-1,457.5	-986.4	-441.9	-227.2
30	RPMs (Sch. Svc.) (%)	-12.6	6.3	-11.5	-7.5	0.8	5.7	8.5
31	ASMs (Sch. Svc.) (%)	-17.7	5.9	-8.9	-3.4	2.9	5.7	6.4
32	Operating Revenues per RTM (%)	-10.3	4.8	-5.7	-2.1	1.1	4.0	4.8
33	Operating Expense per RTM (%)	-2.3	7.9	10.4	13.1	12.0	8.1	6.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.8	2.8	-7.9	-4.6	-1.6	2.1	4.7

**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

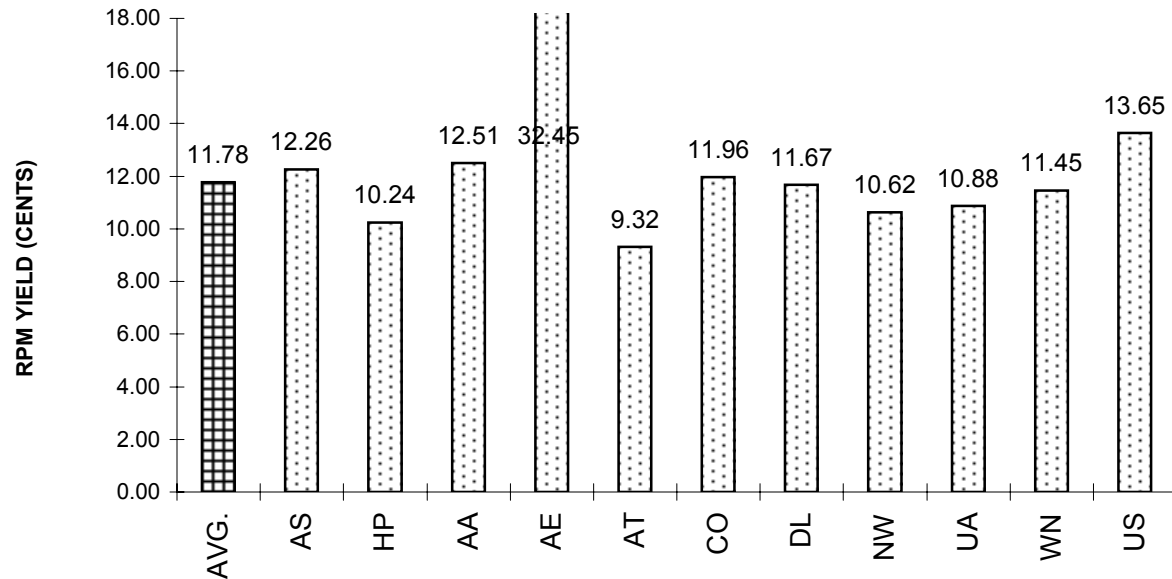


**TOTAL PASSENGER MAJORS (SYSTEM)
QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

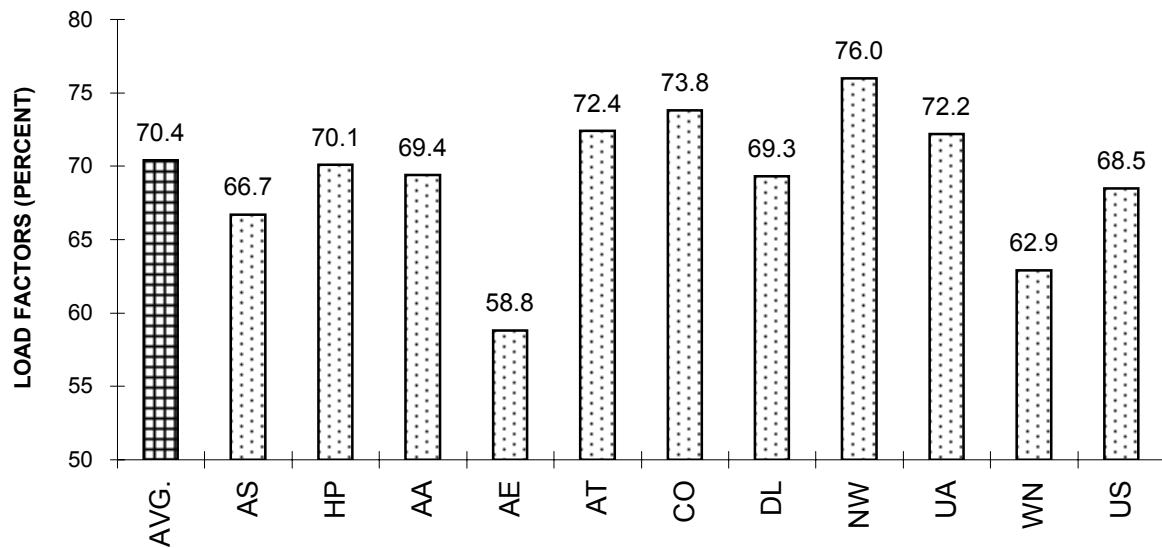


**TOTAL PASSENGER MAJORS (SYSTEM)
FIRST QUARTER 2002 (SCH. SVC.)**

**Chart 15
PASSENGER (RPM) YIELD**



**Chart 16
PASSENGER LOAD FACTOR**



QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
ALASKA AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	412.4	420.7	1,754.8	1,763.1	1,810.9	1,813.6	1,785.5
2	Operating Expenses	454.2	452.4	1,829.7	1,827.8	1,854.3	1,839.8	1,814.5
3	Operating Profit (Loss)	-41.8	-31.6	-74.9	-64.8	-43.4	-26.2	-29.1
4	Net Income (Loss)	-28.2	-21.6	-16.7	-10.1	-18.2	-22.0	-20.8
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	2.97	2.89	12.31	12.23	12.40	12.30	12.06
6	ASMs - Scheduled Rev. Svc.	4.46	4.42	17.92	17.88	18.16	17.97	17.49
7	Overall RTMs (All Svc.)	0.31	0.30	1.29	1.29	1.31	1.30	1.27
8	Overall ATMs (All Svc.)	0.58	0.58	2.35	2.34	2.37	2.35	2.29
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	132.5	138.0	135.5	136.8	138.7	139.8	140.2
10	Operating Expense per RTM	145.9	148.4	141.3	141.9	142.0	141.8	142.5
11	Operating Profit (Loss) per RTM	-13.4	-10.4	-5.8	-5.0	-3.3	-2.0	-2.3
12	Operating Expense per ATM	77.7	78.3	77.9	78.1	78.2	78.3	79.2
13	Passenger Revenue per RPM	12.26	13.01	12.62	12.80	13.03	13.21	13.28
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.18	1.21	1.33	1.47	1.54
15	Times Interest Earned	*	*	0.47	0.68	0.11	0.09	0.00
16	Current Assets to Current Liabilities	*	*	1.30	1.29	1.44	1.07	1.12
17	No. of Days Cash Coverage of Cash Exp.	*	*	131.3	139.8	138.6	77.4	82.8
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-10.1	-7.5	-4.3	-3.7	-2.4	-1.4	-1.6
19	Net Income to Stockholders Equity	*	*	-2.4	-1.5	-2.7	-3.3	-3.2
20	Corporate Return on Investment	*	*	1.9	2.3	1.4	0.9	0.7
21	Debt to Total Investment	*	*	57.5	56.8	56.2	50.3	47.4
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	66.7	65.4	68.7	68.4	68.3	68.5	68.9
23	Breakeven	78.7	74.3	75.6	74.6	73.1	72.3	72.9
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	9,169	9,313	9,405	9,441	9,384	9,176	8,921
25	Overall RTM's per Employee (000)	33.9	32.7	137.7	136.5	139.2	141.4	142.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-2.0	6.5	-1.7	0.2	4.2	4.9	4.2
27	Operating Expenses (%)	0.4	10.3	0.8	3.1	9.6	12.1	14.9
28	Operating Profit (Loss) (in Millions \$)	-10.2	-16.6	-45.8	-52.4	-89.5	-114.4	-164.6
29	Net Income (Loss)(in Millions \$)	-6.6	43.6	4.1	54.2	8.2	-26.9	-56.4
30	RPMs (Sch. Svc.) (%)	2.9	2.9	2.1	2.1	4.1	2.9	1.5
31	ASMs (Sch. Svc.) (%)	0.9	4.7	2.4	3.4	5.4	3.4	0.4
32	Operating Revenues per RTM (%)	-4.0	3.8	-3.4	-1.6	0.6	2.4	3.2
33	Operating Expense per RTM (%)	-1.7	7.5	-0.9	1.4	5.7	9.5	13.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-5.8	4.1	-5.0	-2.8	0.6	3.3	4.8

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICA WEST AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	456.3	581.0	1,910.8	2,035.5	2,208.0	2,308.4	2,340.4
2	Operating Expenses	577.8	606.3	2,327.2	2,355.6	2,463.0	2,463.4	2,390.3
3	Operating Profit (Loss)	-121.6	-25.3	-416.4	-320.1	-255.0	-155.0	-49.9
4	Net Income (Loss)	-337.3	-13.1	-472.7	-148.4	-131.0	-100.7	-29.1
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	4.26	4.88	18.44	19.06	19.76	19.83	19.66
6	ASMs - Scheduled Rev. Svc.	6.07	7.05	25.53	26.50	27.53	27.72	27.65
7	Overall RTMs (All Svc.)	0.44	0.51	1.92	1.98	2.06	2.07	2.05
8	Overall ATMs (All Svc.)	0.80	0.92	3.36	3.47	3.59	3.60	3.56
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	102.6	113.8	99.6	102.6	107.2	111.7	114.2
10	Operating Expense per RTM	129.9	118.8	121.4	118.8	119.6	119.2	116.7
11	Operating Profit (Loss) per RTM	-27.3	-5.0	-21.7	-16.1	-12.4	-7.5	-2.4
12	Operating Expense per ATM	72.0	66.1	69.3	67.8	68.6	68.5	67.1
13	Passenger Revenue per RPM	10.24	11.31	9.86	10.14	10.61	11.01	11.26
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.66	1.80	1.94	2.07	2.07
15	Times Interest Earned	*	*	-6.35	-5.60	-5.41	-4.69	-0.61
16	Current Assets to Current Liabilities	*	*	1.26	0.86	0.97	1.00	1.08
17	No. of Days Cash Coverage of Cash Exp.	*	*	67.9	23.9	21.2	24.8	20.7
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-26.6	-4.4	-21.8	-15.7	-11.5	-6.7	-2.1
19	Net Income to Stockholders Equity	*	*	-64.7	-18.1	-15.2	-11.4	-3.2
20	Corporate Return on Investment	*	*	-37.1	-10.1	-8.8	-6.7	-0.4
21	Debt to Total Investment	*	*	66.5	31.8	37.6	19.2	20.5
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.1	69.2	72.2	71.9	71.8	71.6	71.1
23	Breakeven	94.2	74.5	92.8	87.2	83.4	79.1	74.6
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,881	11,393	10,480	10,858	11,159	11,065	10,833
25	Overall RTM's per Employee (000)	45.0	44.8	183.0	182.7	184.5	186.8	189.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-21.5	5.6	-18.4	-11.9	-4.0	2.4	6.2
27	Operating Expenses (%)	-4.7	12.7	-2.7	1.4	11.8	16.3	17.0
28	Operating Profit (Loss) (in Millions \$)	-96.3	-37.2	-366.5	-307.4	-351.3	-291.1	-210.8
29	Net Income (Loss)(in Millions \$)	-324.2	-28.6	-443.6	-147.9	-202.9	-194.7	-136.3
30	RPMs (Sch. Svc.) (%)	-12.8	12.9	-6.2	-0.2	4.5	6.9	9.3
31	ASMs (Sch. Svc.) (%)	-13.9	8.8	-7.7	-2.1	3.0	5.0	6.1
32	Operating Revenues per RTM (%)	-9.9	-6.0	-12.8	-11.5	-7.8	-3.7	-1.9
33	Operating Expense per RTM (%)	9.3	0.3	4.0	2.0	7.3	9.4	8.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-9.5	-4.9	-12.4	-11.0	-6.9	-3.3	-1.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,807.8	5,165.6	15,069.0	18,271.6	20,088.7	21,439.5	21,856.3
2	Operating Expenses	4,540.3	5,286.7	18,364.2	21,332.9	22,297.3	21,811.0	21,049.1
3	Operating Profit (Loss)	-732.5	-121.1	-3,295.2	-3,061.3	-2,208.5	-371.5	807.2
4	Net Income (Loss)	-552.2	-211.5	-1,814.6	-1,729.3	-1,150.9	-499.4	270.9
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	27.79	32.20	107.50	126.91	135.39	141.08	142.92
6	ASMs - Scheduled Rev. Svc.	40.04	47.89	154.02	184.32	193.27	197.67	197.43
7	Overall RTMs (All Svc.)	3.25	3.83	12.74	14.90	15.95	16.63	16.83
8	Overall ATMs (All Svc.)	6.58	7.73	25.68	30.05	31.37	31.85	31.56
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	117.3	135.0	118.3	123.0	126.0	129.0	130.0
10	Operating Expense per RTM	139.9	138.1	144.2	143.0	140.0	131.0	125.0
11	Operating Profit (Loss) per RTM	-22.6	-3.2	-25.9	-21.0	-14.0	-2.0	5.0
12	Operating Expense per ATM	69.0	68.4	71.5	71.0	71.0	68.0	67.0
13	Passenger Revenue per RPM	12.51	14.37	12.68	12.95	13.35	13.69	13.81
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.15	1.45	1.67	1.84	1.88
15	Times Interest Earned	*	*	-12.20	-10.99	-7.94	-2.41	7.17
16	Current Assets to Current Liabilities	*	*	0.98	0.00	0.84	0.60	0.59
17	No. of Days Cash Coverage of Cash Exp.	*	*	49.0	0.0	40.3	25.9	27.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-19.2	-2.3	-21.9	-16.8	-11.0	-1.7	3.7
19	Net Income to Stockholders Equity	*	*	-28.4	-27.7	-17.6	-7.6	4.0
20	Corporate Return on Investment	*	*	-12.2	-12.0	-8.1	-3.0	3.4
21	Debt to Total Investment	*	*	60.3	0.0	53.7	48.6	42.0
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	69.4	67.3	69.8	68.9	70.1	71.4	72.4
23	Breakeven	88.7	72.2	88.5	83.5	80.0	73.4	71.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	89,660	104,854	86,043	102,014	104,866	104,593	103,838
25	Overall RTM's per Employee (000)	36.2	35.6	148.0	146.0	152.1	159.0	162.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-26.3	3.1	-31.1	-15.8	-5.8	3.9	9.1
27	Operating Expenses (%)	-14.1	7.3	-12.8	3.1	10.0	10.3	9.2
28	Operating Profit (Loss) (in Millions \$)	-611.4	-203.1	-4,102.4	-4,071.6	-3,260.4	-1,240.7	53.6
29	Net Income (Loss)(in Millions \$)	-340.7	-240.5	-2,085.5	-2,240.6	-1,664.4	-900.4	-18.6
30	RPMs (Sch. Svc.) (%)	-13.7	-2.5	-24.8	-11.7	-5.7	-0.2	2.9
31	ASMs (Sch. Svc.) (%)	-16.4	-2.3	-22.0	-7.2	-3.2	-0.9	-0.2
32	Operating Revenues per RTM (%)	-13.1	5.5	-9.0	-3.9	0.0	4.0	5.7
33	Operating Expense per RTM (%)	1.3	9.7	15.4	17.2	16.7	10.1	5.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.9	5.4	-8.2	-5.1	-0.5	3.9	6.5

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN EAGLE AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	272.6	318.0	1,198.6	1,244.0	1,309.9	1,343.3	1,286.9
2	Operating Expenses	292.4	324.6	1,467.8	1,500.0	1,500.3	1,395.3	1,230.3
3	Operating Profit (Loss)	-19.8	-6.6	-269.2	-255.9	-190.4	-52.0	56.6
4	Net Income (Loss)	-33.2	-17.6	-241.8	-226.2	-186.1	-93.5	-23.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	0.81	0.75	3.34	3.28	3.29	3.29	3.18
6	ASMs - Scheduled Rev. Svc.	1.37	1.38	5.67	5.67	5.64	5.54	5.33
7	Overall RTMs (All Svc.)	0.08	0.07	0.34	0.33	0.33	0.33	0.32
8	Overall ATMs (All Svc.)	0.16	0.16	0.66	0.66	0.65	0.64	0.61
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	336.0	424.0	357.1	377.5	396.4	407.1	402.6
10	Operating Expense per RTM	360.5	432.8	437.3	455.2	454.0	422.9	384.9
11	Operating Profit (Loss) per RTM	-24.5	-8.8	-80.2	-77.7	-57.6	-15.8	17.7
12	Operating Expense per ATM	180.1	203.5	222.3	228.2	231.1	219.5	201.6
13	Passenger Revenue per RPM	32.45	40.91	34.47	36.43	38.38	39.43	38.93
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.45	0.47	0.50	0.51	0.50
15	Times Interest Earned	*	*	-3.86	-4.19	-3.79	-1.58	0.59
16	Current Assets to Current Liabilities	*	*	0.19	0.24	0.75	0.81	0.88
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.6	1.7	10.0	29.9	43.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-7.3	-2.1	-22.5	-20.6	-14.5	-3.9	4.4
19	Net Income to Stockholders Equity	*	*	-199.2	-132.3	-86.7	-37.9	-8.9
20	Corporate Return on Investment	*	*	-6.2	-6.0	-4.9	-1.6	0.9
21	Debt to Total Investment	*	*	99.3	98.1	96.1	93.2	90.7
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.8	54.0	59.0	57.8	58.3	59.3	59.7
23	Breakeven	63.8	55.3	74.3	71.5	68.1	61.9	56.7
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	7,915	8,266	8,214	8,302	8,355	8,192	13,972
25	Overall RTM's per Employee (000)	10.2	9.1	40.9	39.7	39.6	40.3	22.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-14.3	14.9	-6.9	-0.1	9.5	18.3	18.6
27	Operating Expenses (%)	-9.9	16.8	19.3	26.7	34.7	30.5	19.9
28	Operating Profit (Loss) (in Millions \$)	-13.2	-5.5	-325.8	-318.0	-272.9	-118.2	-1.9
29	Net Income (Loss)(in Millions \$)	-15.6	-1.8	-218.5	-204.7	-187.8	-97.9	-31.5
30	RPMs (Sch. Svc.) (%)	8.1	5.4	5.0	4.4	7.2	11.7	49.2
31	ASMs (Sch. Svc.) (%)	-0.7	15.2	6.3	10.2	13.1	15.9	51.5
32	Operating Revenues per RTM (%)	-20.8	8.9	-11.3	-4.3	2.2	6.0	-16.4
33	Operating Expense per RTM (%)	-16.7	10.7	13.6	21.4	25.7	16.9	-15.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-20.7	9.0	-11.5	-4.5	2.5	6.4	-20.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
AMERICAN TRANS AIR

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	293.6	306.4	1,141.4	1,154.3	1,194.6	1,221.9	1,202.0
2	Operating Expenses	286.0	307.1	1,217.7	1,238.8	1,194.4	1,212.5	1,187.6
3	Operating Profit (Loss)	7.6	-0.7	-76.2	-84.5	0.1	9.4	14.3
4	Net Income (Loss)	1.1	-7.0	-69.9	-78.0	-22.3	-15.5	-11.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	2.09	2.04	8.39	8.34	8.36	8.02	7.77
6	ASMs - Scheduled Rev. Svc.	2.89	2.69	11.04	10.84	10.90	10.53	10.18
7	Overall RTMs (All Svc.)	0.29	0.26	1.16	1.13	1.13	1.06	1.01
8	Overall ATMs (All Svc.)	0.49	0.42	1.84	1.77	1.70	1.55	1.40
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	100.6	115.9	98.8	102.4	106.1	114.8	119.4
10	Operating Expense per RTM	98.0	116.2	105.4	109.9	106.1	114.0	118.0
11	Operating Profit (Loss) per RTM	2.6	-0.3	-6.6	-7.5	0.0	0.9	1.4
12	Operating Expense per ATM	58.8	73.8	66.1	69.9	70.3	78.4	84.8
13	Passenger Revenue per RPM	9.32	9.95	9.17	9.33	9.54	9.95	9.96
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.95	2.00	2.01	2.27	2.35
15	Times Interest Earned	*	*	-2.87	-3.34	-0.20	0.28	0.52
16	Current Assets to Current Liabilities	*	*	0.88	1.02	0.93	0.59	0.60
17	No. of Days Cash Coverage of Cash Exp.	*	*	50.7	67.7	55.5	36.5	43.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	2.6	-0.2	-6.7	-7.3	0.0	0.8	1.2
19	Net Income to Stockholders Equity	*	*	-110.1	-96.6	-22.2	-15.1	-11.2
20	Corporate Return on Investment	*	*	-7.3	-8.8	0.7	2.0	2.9
21	Debt to Total Investment	*	*	98.3	94.9	86.8	84.1	84.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.4	75.9	76.0	76.9	76.7	76.1	76.3
23	Breakeven	69.3	76.2	84.4	86.2	77.5	75.9	75.6
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	6,474	7,203	6,610	6,792	6,987	6,947	6,781
25	Overall RTM's per Employee (000)	45.1	36.7	174.8	166.0	161.1	153.2	148.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.2	6.9	-5.0	-2.4	4.4	11.4	15.4
27	Operating Expenses (%)	-6.9	8.8	2.5	6.5	8.7	16.8	21.6
28	Operating Profit (Loss) (in Millions \$)	8.3	-5.0	-90.5	-103.8	-45.6	-49.3	-50.9
29	Net Income (Loss)(in Millions \$)	8.1	-6.2	-58.2	-72.4	-33.6	-38.1	-40.5
30	RPMs (Sch. Svc.) (%)	2.6	15.8	8.0	11.3	15.0	9.9	10.3
31	ASMs (Sch. Svc.) (%)	7.5	16.2	8.5	10.6	16.1	12.5	11.9
32	Operating Revenues per RTM (%)	-13.2	0.3	-17.3	-14.2	-9.3	5.1	14.0
33	Operating Expense per RTM (%)	-15.7	2.0	-10.7	-6.4	-5.6	10.3	20.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.3	-2.5	-7.9	-6.9	-3.4	4.2	6.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
CONTINENTAL AIR LINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,763.6	2,320.2	7,643.2	8,199.7	8,971.8	9,457.1	9,576.3
2	Operating Expenses	1,997.4	2,223.1	8,296.5	8,522.2	8,853.7	8,927.8	8,921.9
3	Operating Profit (Loss)	-233.8	97.1	-653.4	-322.5	118.1	529.3	654.4
4	Net Income (Loss)	-174.5	6.1	-278.1	-97.5	96.8	213.7	309.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	13.40	14.77	57.77	59.15	61.96	63.52	63.48
6	ASMs - Scheduled Rev. Svc.	18.16	20.93	78.50	81.27	84.83	85.85	85.13
7	Overall RTMs (All Svc.)	1.53	1.71	6.56	6.73	7.10	7.32	7.35
8	Overall ATMs (All Svc.)	2.37	2.70	10.14	10.47	10.96	11.19	11.18
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	115.2	135.9	116.5	121.8	126.4	129.3	130.4
10	Operating Expense per RTM	130.5	130.3	126.5	126.6	124.8	122.0	121.4
11	Operating Profit (Loss) per RTM	-15.3	5.7	-10.0	-4.8	1.7	7.2	8.9
12	Operating Expense per ATM	84.4	82.4	81.8	81.4	80.8	79.8	79.8
13	Passenger Revenue per RPM	11.96	13.85	11.97	12.44	12.89	13.18	13.31
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.30	1.47	1.67	1.82	1.87
15	Times Interest Earned	*	*	-0.68	0.48	1.89	2.89	3.63
16	Current Assets to Current Liabilities	*	*	0.67	0.64	0.69	0.67	0.65
17	No. of Days Cash Coverage of Cash Exp.	*	*	51.0	47.7	48.5	40.2	40.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-13.3	4.2	-8.5	-3.9	1.3	5.6	6.8
19	Net Income to Stockholders Equity	*	*	-20.3	-7.0	6.7	14.2	20.2
20	Corporate Return on Investment	*	*	-0.3	2.7	5.8	8.1	10.1
21	Debt to Total Investment	*	*	81.7	76.9	75.2	74.2	75.0
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	73.8	70.6	73.6	72.8	73.0	74.0	74.6
23	Breakeven	83.4	69.1	80.2	76.4	73.0	70.7	70.5
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	32,100	36,378	34,379	35,448	36,511	36,307	35,902
25	Overall RTM's per Employee (000)	47.7	46.9	190.8	190.0	194.3	201.5	204.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-24.0	5.8	-20.2	-13.2	-2.5	6.4	11.9
27	Operating Expenses (%)	-10.2	2.9	-7.0	-3.8	1.2	4.8	8.6
28	Operating Profit (Loss) (in Millions \$)	-330.9	65.2	-1,307.8	-911.6	-333.0	158.3	309.7
29	Net Income (Loss)(in Millions \$)	-180.6	1.6	-587.8	-405.6	-322.0	-167.6	-62.7
30	RPMs (Sch. Svc.) (%)	-9.3	-0.3	-9.0	-6.9	-1.9	2.2	4.8
31	ASMs (Sch. Svc.) (%)	-13.2	1.4	-7.8	-4.2	0.4	2.6	3.2
32	Operating Revenues per RTM (%)	-15.2	7.3	-10.7	-5.0	1.0	5.3	7.4
33	Operating Expense per RTM (%)	0.2	4.4	4.2	5.3	4.9	3.7	4.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.6	6.5	-10.1	-5.1	0.5	5.5	8.7

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DELTA AIR LINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,923.2	3,569.1	12,565.3	13,211.2	14,251.4	15,031.9	15,294.4
2	Operating Expenses	3,333.1	3,696.3	13,820.0	14,183.2	14,533.1	14,526.7	14,235.6
3	Operating Profit (Loss)	-409.8	-127.2	-1,254.7	-972.0	-281.8	505.2	1,058.7
4	Net Income (Loss)	-398.0	-137.5	-1,367.6	-1,107.1	-439.5	-144.7	316.5
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	21.87	24.06	95.41	97.60	102.35	105.68	107.36
6	ASMs - Scheduled Rev. Svc.	31.57	35.73	137.12	141.28	145.66	147.62	147.34
7	Overall RTMs (All Svc.)	2.53	2.84	11.02	11.33	11.94	12.34	12.57
8	Overall ATMs (All Svc.)	4.82	5.39	20.91	21.49	22.09	22.37	22.28
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	115.5	125.8	114.0	116.6	119.4	121.8	121.7
10	Operating Expense per RTM	131.7	130.3	125.4	125.2	121.8	117.7	113.3
11	Operating Profit (Loss) per RTM	-16.2	-4.5	-11.4	-8.6	-2.4	4.1	8.4
12	Operating Expense per ATM	69.2	68.5	66.1	66.0	65.8	64.9	63.9
13	Passenger Revenue per RPM	11.67	13.45	11.73	12.17	12.61	12.88	13.17
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.07	1.13	1.24	1.36	1.40
15	Times Interest Earned	*	*	-3.51	-3.37	-0.83	0.93	2.76
16	Current Assets to Current Liabilities	*	*	0.57	0.63	0.65	0.56	0.57
17	No. of Days Cash Coverage of Cash Exp.	*	*	33.0	51.1	65.0	33.3	21.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-14.0	-3.6	-10.0	-7.4	-2.0	3.4	6.9
19	Net Income to Stockholders Equity	*	*	-29.3	-22.2	-8.4	-2.7	6.1
20	Corporate Return on Investment	*	*	-7.7	-6.1	-0.6	2.0	6.4
21	Debt to Total Investment	*	*	69.1	66.9	60.1	51.9	52.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	69.3	67.3	69.6	69.1	70.3	71.6	72.9
23	Breakeven	81.8	71.2	78.7	76.0	72.5	69.3	66.0
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	60,281	66,547	66,345	67,911	68,400	67,730	66,362
25	Overall RTM's per Employee (000)	42.0	42.6	166.2	166.8	174.5	182.2	189.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-18.1	-0.7	-17.9	-13.8	-6.1	0.3	2.4
27	Operating Expenses (%)	-9.8	11.3	-2.9	2.3	7.2	8.7	7.2
28	Operating Profit (Loss) (in Millions \$)	-282.6	-400.6	-2,313.4	-2,431.4	-1,901.3	-1,109.7	-591.5
29	Net Income (Loss)(in Millions \$)	-260.5	-370.0	-1,684.1	-1,793.6	-1,514.8	-1,515.4	-984.1
30	RPMs (Sch. Svc.) (%)	-9.1	-1.7	-11.1	-9.5	-5.0	-1.0	2.4
31	ASMs (Sch. Svc.) (%)	-11.7	0.8	-6.9	-3.9	-0.8	0.8	1.4
32	Operating Revenues per RTM (%)	-8.2	1.0	-6.3	-4.0	-0.8	1.7	0.1
33	Operating Expense per RTM (%)	1.1	13.3	10.7	13.9	13.2	10.1	4.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-13.2	1.6	-10.9	-7.2	-2.4	0.6	4.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
NORTHWEST AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,065.8	2,510.9	9,146.7	9,591.8	10,302.1	10,856.7	11,048.3
2	Operating Expenses	2,256.6	2,741.5	9,903.5	10,388.4	10,696.5	10,736.8	10,632.9
3	Operating Profit (Loss)	-190.8	-230.6	-756.8	-796.6	-394.5	119.9	415.4
4	Net Income (Loss)	-173.0	-190.1	-401.0	-418.1	-280.8	-98.4	85.8
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	16.53	18.26	71.38	73.11	76.98	79.20	79.59
6	ASMs - Scheduled Rev. Svc.	21.76	24.98	95.11	98.33	102.33	103.88	103.78
7	Overall RTMs (All Svc.)	2.14	2.37	9.25	9.49	10.02	10.35	10.45
8	Overall ATMs (All Svc.)	3.53	4.03	15.55	16.04	16.63	16.76	16.66
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	96.7	106.0	98.8	101.1	102.8	104.9	105.8
10	Operating Expense per RTM	105.6	115.7	107.0	109.5	106.7	103.8	101.8
11	Operating Profit (Loss) per RTM	-8.9	-9.7	-8.2	-8.4	-3.9	1.2	4.0
12	Operating Expense per ATM	63.9	68.1	63.7	64.7	64.3	64.1	63.8
13	Passenger Revenue per RPM	10.62	11.87	10.94	11.24	11.52	11.85	12.04
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.97	1.05	1.16	1.26	1.29
15	Times Interest Earned	*	*	-0.74	-0.93	-0.34	0.56	1.51
16	Current Assets to Current Liabilities	*	*	0.94	0.86	0.92	0.62	0.71
17	No. of Days Cash Coverage of Cash Exp.	*	*	98.2	94.4	102.1	45.7	81.2
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-9.2	-9.2	-8.3	-8.3	-3.8	1.1	3.8
19	Net Income to Stockholders Equity	*	*	-8.6	-8.7	-5.7	-2.0	1.7
20	Corporate Return on Investment	*	*	-0.5	-0.9	0.4	2.4	4.6
21	Debt to Total Investment	*	*	58.0	54.7	52.3	44.4	42.3
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	76.0	73.1	75.1	74.3	75.2	76.2	76.7
23	Breakeven	88.5	84.4	86.0	85.0	81.5	77.7	75.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	42,869	50,104	46,088	47,896	49,460	49,960	49,808
25	Overall RTM's per Employee (000)	49.9	47.3	200.8	198.1	202.7	207.1	209.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-17.7	3.8	-17.2	-12.5	-4.6	3.7	8.9
27	Operating Expenses (%)	-17.7	14.1	-6.9	0.9	6.6	10.8	13.5
28	Operating Profit (Loss) (in Millions \$)	39.8	-248.1	-1,172.2	-1,460.1	-1,156.4	-653.9	-356.3
29	Net Income (Loss)(in Millions \$)	17.1	-184.2	-486.8	-688.0	-612.9	-411.7	-219.5
30	RPMs (Sch. Svc.) (%)	-9.5	2.8	-10.3	-7.6	-1.7	2.6	5.3
31	ASMs (Sch. Svc.) (%)	-12.9	1.9	-8.4	-4.8	-0.3	2.0	2.8
32	Operating Revenues per RTM (%)	-8.8	2.3	-6.6	-3.9	-1.5	2.2	3.9
33	Operating Expense per RTM (%)	-8.7	12.5	5.1	10.8	10.0	9.3	8.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.5	0.2	-9.1	-6.6	-4.0	0.3	3.0

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
SOUTHWEST AIRLINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,257.3	1,428.6	5,383.9	5,555.2	5,785.0	5,928.7	5,835.6
2	Operating Expenses	1,207.7	1,218.7	4,913.0	4,924.1	4,940.7	4,877.4	4,760.7
3	Operating Profit (Loss)	49.6	209.9	470.9	631.2	844.3	1,051.3	1,074.9
4	Net Income (Loss)	21.4	121.0	411.5	511.2	602.3	635.6	650.6
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	10.39	10.67	44.23	44.50	44.57	44.28	43.44
6	ASMs - Scheduled Rev. Svc.	16.53	15.87	66.06	65.40	64.42	63.35	61.65
7	Overall RTMs (All Svc.)	1.07	1.11	4.56	4.59	4.61	4.59	4.51
8	Overall ATMs (All Svc.)	2.26	2.00	9.02	8.77	8.48	8.18	7.80
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	117.0	129.2	118.1	121.0	125.5	129.2	129.4
10	Operating Expense per RTM	112.4	110.2	107.7	107.3	107.2	106.3	105.6
11	Operating Profit (Loss) per RTM	4.6	19.0	10.3	13.7	18.3	22.9	23.8
12	Operating Expense per ATM	53.5	60.8	54.5	56.1	58.3	59.6	61.1
13	Passenger Revenue per RPM	11.45	12.76	11.58	11.89	12.38	12.78	12.83
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.03	1.13	1.27	1.38	1.42
15	Times Interest Earned	*	*	12.01	17.80	24.90	24.94	25.64
16	Current Assets to Current Liabilities	*	*	1.40	1.12	0.91	0.81	0.70
17	No. of Days Cash Coverage of Cash Exp.	*	*	168.1	180.6	117.6	77.3	55.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	3.9	14.7	8.7	11.4	14.6	17.7	18.4
19	Net Income to Stockholders Equity	*	*	10.5	13.5	16.7	18.5	20.2
20	Corporate Return on Investment	*	*	9.0	11.4	14.1	15.8	16.9
21	Debt to Total Investment	*	*	29.8	31.5	23.9	18.4	19.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	62.9	67.2	67.0	68.0	69.2	69.9	70.5
23	Breakeven	60.0	55.5	60.1	58.9	57.3	55.3	55.3
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	31,565	29,037	30,762	30,130	29,469	28,794	28,231
25	Overall RTM's per Employee (000)	34.1	38.1	148.2	152.4	156.4	159.4	159.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-12.0	15.0	-7.8	-1.7	7.4	15.3	19.0
27	Operating Expenses (%)	-0.9	12.1	3.2	6.4	10.7	13.1	15.2
28	Operating Profit (Loss) (in Millions \$)	-160.3	54.4	-604.0	-389.3	-80.1	220.3	304.4
29	Net Income (Loss)(in Millions \$)	-99.6	47.5	-239.1	-91.9	60.1	150.7	198.6
30	RPMs (Sch. Svc.) (%)	-2.6	12.8	1.8	5.4	9.4	12.4	14.6
31	ASMs (Sch. Svc.) (%)	4.2	12.1	7.2	9.1	10.8	12.3	12.8
32	Operating Revenues per RTM (%)	-9.5	2.3	-8.7	-6.1	-1.3	3.0	4.3
33	Operating Expense per RTM (%)	2.0	-0.3	2.0	1.7	1.8	1.1	1.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.3	1.9	-9.7	-7.0	-1.9	2.7	4.2

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED AIR LINES

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,195.6	4,417.7	14,865.3	16,087.4	17,947.5	18,766.3	19,216.0
2	Operating Expenses	3,901.5	4,845.8	18,886.2	19,830.5	20,959.3	19,747.1	19,190.5
3	Operating Profit (Loss)	-705.9	-428.1	-4,020.9	-3,743.1	-3,011.9	-980.8	25.5
4	Net Income (Loss)	-495.9	-321.4	-2,284.7	-2,110.2	-1,881.3	-813.2	-188.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	24.68	28.76	112.51	116.60	123.91	126.04	126.65
6	ASMs - Scheduled Rev. Svc.	34.16	42.08	156.85	164.77	173.59	175.60	174.98
7	Overall RTMs (All Svc.)	2.98	3.52	13.51	14.05	15.06	15.51	15.70
8	Overall ATMs (All Svc.)	5.47	6.52	24.90	25.95	27.24	27.53	27.47
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	107.4	125.4	110.1	114.5	119.2	121.0	122.4
10	Operating Expense per RTM	131.1	137.6	139.8	141.1	139.2	127.3	122.2
11	Operating Profit (Loss) per RTM	-23.7	-12.2	-29.8	-26.6	-20.0	-6.3	0.2
12	Operating Expense per ATM	71.4	74.3	75.9	76.4	76.9	71.7	69.9
13	Passenger Revenue per RPM	10.88	12.97	11.04	11.55	12.16	12.62	12.99
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.10	1.23	1.41	1.52	1.60
15	Times Interest Earned	*	*	-6.36	-6.22	-6.00	-2.21	0.18
16	Current Assets to Current Liabilities	*	*	0.69	0.65	0.63	0.52	0.63
17	No. of Days Cash Coverage of Cash Exp.	*	*	55.8	48.0	48.4	19.0	29.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-22.1	-9.7	-27.0	-23.3	-16.8	-5.2	0.1
19	Net Income to Stockholders Equity	*	*	-52.5	-45.9	-37.2	-14.7	-3.3
20	Corporate Return on Investment	*	*	-13.3	-12.6	-11.5	-3.4	1.5
21	Debt to Total Investment	*	*	70.6	74.9	72.9	60.1	59.1
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.2	68.4	71.7	70.8	71.4	71.8	72.4
23	Breakeven	94.1	79.3	99.2	94.7	89.4	78.8	74.4
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	75,372	90,795	84,962	88,818	91,045	90,702	90,138
25	Overall RTM's per Employee (000)	39.5	38.8	159.0	158.2	165.4	171.0	174.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-27.7	-2.6	-22.7	-16.8	-5.5	-0.8	4.7
27	Operating Expenses (%)	-19.5	14.1	-1.6	6.7	17.0	14.9	13.9
28	Operating Profit (Loss) (in Millions \$)	-277.8	-715.3	-4,046.4	-4,483.9	-4,101.0	-2,708.6	-1,481.1
29	Net Income (Loss)(in Millions \$)	-174.5	-240.3	-2,096.0	-2,161.8	-2,131.5	-1,528.5	-1,236.7
30	RPMs (Sch. Svc.) (%)	-14.2	-0.8	-11.2	-8.1	-2.0	-1.1	1.1
31	ASMs (Sch. Svc.) (%)	-18.8	-1.0	-10.4	-6.1	-1.1	-0.5	-1.1
32	Operating Revenues per RTM (%)	-14.4	1.2	-10.1	-6.2	-0.7	1.8	4.4
33	Operating Expense per RTM (%)	-4.7	18.6	14.4	20.2	23.1	17.8	13.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-16.1	-3.2	-15.0	-11.8	-5.8	-1.4	3.4

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
US AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	1,694.6	2,232.6	7,715.3	8,253.4	9,045.8	9,442.3	9,355.0
2	Operating Expenses	2,063.3	2,426.9	9,071.1	9,434.8	9,441.5	9,675.4	9,458.2
3	Operating Profit (Loss)	-368.7	-194.3	-1,355.8	-1,181.4	-395.7	-233.1	-103.2
4	Net Income (Loss)	-298.2	-163.1	-2,124.5	-1,989.4	-1,033.5	-300.7	-206.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	9.58	11.40	44.11	45.93	49.21	49.90	48.57
6	ASMs - Scheduled Rev. Svc.	13.97	17.23	63.42	66.68	70.18	70.70	68.68
7	Overall RTMs (All Svc.)	1.05	1.25	4.82	5.02	5.36	5.43	5.28
8	Overall ATMs (All Svc.)	2.02	2.43	9.13	9.53	9.95	9.96	9.60
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	160.9	177.9	160.1	164.4	168.8	173.7	177.1
10	Operating Expense per RTM	195.9	193.4	188.2	187.9	176.2	178.0	179.1
11	Operating Profit (Loss) per RTM	-35.0	-15.5	-28.1	-23.5	-7.4	-4.3	-2.0
12	Operating Expense per ATM	101.9	99.7	99.4	99.0	94.8	97.2	98.5
13	Passenger Revenue per RPM	13.65	15.88	13.78	14.32	14.87	15.46	15.82
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.90	1.88	1.95	2.01	2.03
15	Times Interest Earned	*	*	-5.33	-5.04	-3.17	-0.68	-0.17
16	Current Assets to Current Liabilities	*	*	0.58	0.61	0.78	0.90	0.85
17	No. of Days Cash Coverage of Cash Exp.	*	*	21.2	41.6	39.9	47.1	42.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-21.8	-8.7	-17.6	-14.3	-4.4	-2.5	-1.1
19	Net Income to Stockholders Equity	*	*	-347.0	-182.1	-67.1	-17.6	-12.1
20	Corporate Return on Investment	*	*	-44.8	-38.7	-16.2	-0.8	1.0
21	Debt to Total Investment	*	*	120.2	111.1	79.7	67.4	66.3
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	68.5	66.2	69.5	68.9	70.1	70.6	70.7
23	Breakeven	90.3	76.5	88.9	85.3	77.2	76.3	75.0
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	32,663	41,896	38,250	40,558	41,863	41,831	41,522
25	Overall RTM's per Employee (000)	32.2	29.9	126.0	123.8	128.0	129.9	127.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-24.1	8.4	-17.5	-10.1	1.2	9.4	10.3
27	Operating Expenses (%)	-15.0	10.6	-4.1	2.3	5.5	10.4	11.2
28	Operating Profit (Loss) (in Millions \$)	-174.4	-58.9	-1,252.6	-1,137.0	-380.7	-100.6	-77.2
29	Net Income (Loss)(in Millions \$)	-135.1	48.4	-1,918.1	-1,734.6	-799.3	-34.3	-201.4
30	RPMs (Sch. Svc.) (%)	-16.0	18.0	-9.2	-1.9	9.3	16.5	16.8
31	ASMs (Sch. Svc.) (%)	-18.9	14.6	-7.7	0.3	9.2	15.0	14.4
32	Operating Revenues per RTM (%)	-9.6	-8.9	-9.6	-9.0	-7.8	-6.7	-6.0
33	Operating Expense per RTM (%)	1.3	-7.1	5.1	3.5	-3.9	-5.8	-5.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-14.0	-8.9	-12.9	-11.3	-8.4	-5.5	-4.3

QUARTERLY FINANCIAL & TRAFFIC REVIEW

SYSTEM OPERATIONS

TOTAL ALL-CARGO MAJORS

QUARTERLY RESULTS

- For the first quarter 2002, only DHL Airways reported an improvement in operating and/or net results. Still, all three major all-cargo carriers, except for a small net loss reported by UPS, reported an operating and net profit.
- Operating revenues, down 3.9 percent, fell faster than operating expenses, down 1.6 percent, producing a \$43.5 million decline in operating profit to \$73.4 million.
- Operating results would have fallen into the red if not for a 34.7 percent (\$123.2 million) drop in total fuel expense.
- Net income dropped \$354.6 million but remained positive with a \$201.4 million profit.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 2001	THIS YEAR 2002	\$ Change	LAST YEAR 2001	THIS YEAR 2002	\$ Change
March	-194.3	-368.7	-174.4	-163.1	-298.2	-135.1
June	31.1	0.0	-	-16.4	0.0	-
Sept.	-152.0	0.0	-	-756.0	0.0	-
Dec.	-866.2	0.0	-	-1,054.0	0.0	-

- Only the Pacific entity experienced a gain in either operating or net results, while the Atlantic entity reported the only positive operating and/or net profit. Domestic operating profit was fell \$60.7 million to \$55 million but domestic net income dipped \$5.2 million to a \$7.6 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	2001	2002	\$ Change	2001	2002	\$ Change	2001	2002	Change %	2001	2002	Change %	
Domestic	115.7	55.0	-60.7	12.8	7.6	-5.2	1.8	2.1	15.4	3.1	3.7	16.5	56.3%
Int'l	112.4	129.7	17.3	109.8	65.8	-44.0	1.2	1.2	-4.2	1.9	1.8	-4.3	63.5%
Atlantic	40.0	-3.5	-43.6	42.3	-10.8	-53.0	0.4	0.4	-7.3	0.6	0.6	-4.5	64.8%
Latin	74.7	48.2	-26.4	55.6	28.1	-27.5	0.1	0.1	-6.0	0.2	0.2	-5.0	54.0%
Pacific	-2.3	85.0	87.3	11.8	48.4	36.5	0.7	0.7	-2.0	1.1	1.0	-4.0	65.0%
System	228.1	184.6	-43.4	122.6	73.4	-49.2	3.0	3.2	7.5	5.0	5.5	8.7	58.7%

- The ton load factor decreased 0.6 percentage points to 58.7 percent as ATM capacity, up 8.7 percent, grew faster than RTM traffic, up 7.5 percent.
- RTM unit costs were down 13.4 percent, but RTM yield fell 13. percent eroding profitability.
- Interest expense rose \$2 million to \$19.2 million.
- Total debt was reduced \$210.4 million to \$4.67 billion.

12-MONTH RESULTS

- For the twelve months ended March 2002, operating and net results were down for all three all-cargo carriers, but only DHL Airways reported an operating and net loss. UPS did report just a net loss.
- Operating revenues, down 3.9 percent, declined at more than twice the rate of the decline in operating expenses, down 1.6 percent, resulting in a \$477.4 million drop in operating results to a positive \$608.2 million.
- Net income was down \$354.6 million to \$201.4 million.
- Interest on debt fell \$11.8 million to \$78.4 million.
- The ton load factor slid 3 percentage points to 58.8 percent as RTM traffic dipped 0.2 percent while ATM capacity rose 4.9 percent.

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
TOTAL ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,541.9	4,905.6	18,981.5	19,345.2	19,385.8	19,648.0	19,749.6
2	Operating Expenses	4,357.2	4,677.5	18,373.0	18,693.3	18,875.6	18,857.5	18,663.7
3	Operating Profit (Loss)	184.6	228.1	608.5	651.9	510.2	790.5	1,085.9
4	Net Income (Loss)	73.4	122.6	201.4	250.6	213.9	345.4	556.0
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	2.52	2.28	9.77	9.53	9.34	9.40	9.41
6	ATMs - Scheduled Rev. Svc.	4.16	3.77	16.19	15.80	15.33	15.20	14.99
7	Overall RTMs (All Services)	3.20	2.98	12.57	12.35	12.25	12.46	12.60
8	Overall ATMs (All Services)	5.46	5.02	21.38	20.95	20.55	20.50	20.39
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	141.8	164.7	151.0	156.7	158.2	157.7	156.8
10	Operating Expense per RTM	136.0	157.0	146.2	151.4	154.1	151.4	148.2
11	Operating Profit (Loss) per RTM	5.8	7.7	4.8	5.3	4.2	6.3	8.6
12	Operating Expense per ATM	79.9	93.2	85.9	89.2	91.9	92.0	91.5
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.87	1.93	1.98	2.04	2.06
15	Times Interest Earned	*	*	5.94	7.06	5.44	6.71	8.99
16	Current Assets to Current Liabilities	*	*	1.07	1.03	1.08	1.02	1.29
17	No. of Days Cash Coverage of Cash Exp.	*	*	3.0	3.5	3.0	2.7	3.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	4.1	4.6	3.2	3.4	2.6	4.0	5.5
19	Net Income to Stockholders Equity	*	*	3.7	4.8	4.2	6.8	10.8
20	Corporate Return on Investment	*	*	2.9	3.4	3.2	4.7	7.0
21	Debt to Total Investment	*	*	44.6	44.8	48.7	47.5	48.4
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.7	59.3	58.8	58.9	59.6	60.8	61.8
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	99,785	108,099	106,477	108,555	108,228	107,323	106,922
25	Overall RTM's per Employee (000)	32.1	27.6	118.1	113.7	113.2	116.1	117.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-7.4	2.6	-3.9	-1.4	-0.4	3.4	6.5
27	Operating Expenses (%)	-6.9	1.8	-1.6	0.6	3.0	5.1	6.6
28	Operating Profit (Loss) (in Millions \$)	-43.5	41.6	-477.4	-392.4	-640.3	-260.9	49.4
29	Net Income (Loss)(in Millions \$)	-49.2	40.3	-354.6	-265.1	-426.4	-250.6	-14.0
30	RTMs (All Svc.) (%)	7.5	-1.9	-0.2	-2.4	-2.8	0.9	4.4
31	ATMs (All Svc.) (%)	8.7	-0.9	4.9	2.5	0.6	0.5	0.7
32	Operating Revenues per RTM (%)	-13.9	4.6	-3.7	1.0	2.3	2.5	2.0
33	Operating Expense per RTM (%)	-13.4	3.8	-1.4	3.1	6.0	4.2	2.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
DOMESTIC OPERATIONS
TOTAL ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,275.1	3,521.4	13,448.0	13,694.3	13,835.6	14,109.8	14,265.7
2	Operating Expenses	3,220.2	3,405.8	13,338.1	13,523.8	13,682.1	13,717.4	13,658.7
3	Operating Profit (Loss)	55.0	115.7	109.8	170.5	153.5	392.4	607.1
4	Net Income (Loss)	7.6	12.8	-93.4	-88.2	-52.1	32.7	193.5
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.40	1.12	5.03	4.75	4.54	4.60	4.69
6	ATMs - Scheduled Rev. Svc.	2.41	1.97	8.72	8.27	7.83	7.85	7.86
7	Overall RTMs (All Services)	2.06	1.78	7.72	7.45	7.27	7.43	7.60
8	Overall ATMs (All Services)	3.65	3.13	13.71	13.19	12.73	12.73	12.80
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	159.4	197.7	174.2	183.9	190.2	189.8	187.6
10	Operating Expense per RTM	156.7	191.2	172.8	181.6	188.1	184.5	179.6
11	Operating Profit (Loss) per RTM	2.7	6.5	1.4	2.3	2.1	5.3	8.0
12	Operating Expense per ATM	88.3	108.8	97.3	102.5	107.5	107.7	106.7
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	1.7	3.3	0.8	1.2	1.1	2.8	4.3
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	-0.4	-0.4	0.2	1.5	3.9
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	56.3	56.9	56.3	56.4	57.1	58.4	59.4
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-7.0	2.1	-5.7	-3.5	-2.2	1.5	4.2
27	Operating Expenses (%)	-5.5	-0.7	-2.4	-1.2	0.7	1.9	3.2
28	Operating Profit (Loss) (in Millions \$)	-60.7	96.0	-497.3	-340.7	-397.7	-46.5	152.0
29	Net Income (Loss)(in Millions \$)	-5.2	-14.4	-286.9	-296.0	-330.2	-320.8	-202.8
30	RTMs (All Svc.) (%)	15.4	-6.2	1.5	-3.6	-6.8	-4.1	-0.4
31	ATMs (All Svc.) (%)	16.5	-4.4	7.1	1.9	-3.1	-4.0	-3.5
32	Operating Revenues per RTM (%)	-19.4	8.8	-7.2	0.1	5.0	5.9	4.6
33	Operating Expense per RTM (%)	-18.1	5.8	-3.8	2.5	8.0	6.2	3.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
INTERNATIONAL OPERATIONS
TOTAL ALL-CARGO MAJORS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,266.7	1,384.1	5,533.5	5,650.9	5,550.2	5,538.2	5,483.8
2	Operating Expenses	1,137.1	1,271.7	5,034.9	5,169.5	5,193.5	5,140.0	5,005.0
3	Operating Profit (Loss)	129.7	112.4	498.7	481.4	356.7	398.1	478.8
4	Net Income (Loss)	65.8	109.8	294.8	338.8	265.9	312.8	362.5
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.12	1.16	4.74	4.78	4.80	4.79	4.72
6	ATMs - Scheduled Rev. Svc.	1.75	1.81	7.47	7.53	7.49	7.36	7.13
7	Overall RTMs (All Services)	1.15	1.20	4.85	4.90	4.98	5.02	4.99
8	Overall ATMs (All Services)	1.81	1.89	7.67	7.75	7.82	7.77	7.59
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	110.4	115.6	114.1	115.3	111.5	110.2	109.9
10	Operating Expense per RTM	99.1	106.2	103.8	105.5	104.3	102.3	100.3
11	Operating Profit (Loss) per RTM	11.3	9.4	10.3	9.8	7.2	7.9	9.6
12	Operating Expense per ATM	62.9	67.3	65.6	66.7	66.4	66.2	66.0
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	10.2	8.1	9.0	8.5	6.4	7.2	8.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	10.9	12.6	10.5	12.6	14.9
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	63.5	63.4	63.2	63.2	63.7	64.7	65.8
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-8.5	4.1	0.9	4.1	4.1	8.6	12.8
27	Operating Expenses (%)	-10.6	9.4	0.6	5.6	9.8	14.6	16.9
28	Operating Profit (Loss) (in Millions \$)	17.3	-54.4	19.9	-51.8	-242.7	-214.4	-102.6
29	Net Income (Loss)(in Millions \$)	-44.0	54.7	-67.7	31.0	-96.4	70.3	188.8
30	RTMs (All Svc.) (%)	-4.2	5.2	-2.8	-0.6	3.9	9.3	12.7
31	ATMs (All Svc.) (%)	-4.3	5.6	1.1	3.5	7.2	8.9	8.8
32	Operating Revenues per RTM (%)	-4.5	-1.0	3.8	4.7	0.3	-0.6	0.1
33	Operating Expense per RTM (%)	-6.7	4.0	3.5	6.2	5.7	4.8	3.7
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
DHL AIRWAYS

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	63.9	370.5	1,156.2	1,462.7	1,491.4	1,510.3	1,497.2
2	Operating Expenses	60.9	415.3	1,336.1	1,690.4	1,671.0	1,652.9	1,597.9
3	Operating Profit (Loss)	3.0	-44.8	-179.9	-227.7	-179.5	-142.5	-100.6
4	Net Income (Loss)	1.5	-49.9	-164.9	-216.3	-190.5	-151.0	-106.8
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	0.04	0.11	0.36	0.43	0.46	0.47	0.45
6	ATMs - Scheduled Rev. Svc.	0.13	0.22	0.79	0.88	0.89	0.89	0.87
7	Overall RTMs (All Services)	0.04	0.11	0.37	0.44	0.47	0.48	0.46
8	Overall ATMs (All Services)	0.13	0.22	0.81	0.89	0.90	0.91	0.89
<u>YIELD & UNIT COST & PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	148.9	325.0	310.9	330.2	316.0	313.3	325.4
10	Operating Expense per RTM	141.9	364.3	359.3	381.6	354.0	342.8	347.2
11	Operating Profit (Loss) per RTM	7.0	-39.3	-48.4	-51.4	-38.0	-29.6	-21.9
12	Operating Expense per ATM	45.7	187.2	165.9	189.1	185.6	181.9	179.3
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	8.83	8.33	8.40	6.23	5.24
15	Times Interest Earned	*	*	-16.98	-13.84	-10.53	-7.62	-5.94
16	Current Assets to Current Liabilities	*	*	0.93	0.00	0.02	0.52	1.20
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.0	3.6	3.0	0.2	0.2
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	4.7	-12.1	-15.6	-15.6	-12.0	-9.4	-6.7
19	Net Income to Stockholders Equity	*	*	-521.7	-863.7	0.0	-265.5	-121.3
20	Corporate Return on Investment	*	*	-118.9	-114.8	-97.0	-53.6	-30.4
21	Debt to Total Investment	*	*	19.1	15.1	-38.0	351.8	97.2
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	32.2	51.4	46.2	49.5	52.4	53.0	51.7
23	Breakeven	++	++	++	++	++	++	++
<u>Employment & Productivity:</u>								
24	Employment, Total Weighted Avg CY	923	9,078	6,954	8,993	9,018	8,957	8,814
25	Overall RTM's per Employee (000)	46.5	12.6	53.5	49.3	52.3	53.8	52.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-82.8	0.0	-22.8	-2.3	0.8	3.9	5.4
27	Operating Expenses (%)	-85.3	7.7	-16.4	7.8	11.0	13.5	13.9
28	Operating Profit (Loss) (in Millions \$)	47.8	-29.8	-79.3	-156.9	-153.8	-140.2	-118.6
29	Net Income (Loss)(in Millions \$)	51.4	-39.8	-58.1	-149.3	-170.9	-160.8	-127.7
30	RTMs (Sch. Svc.) (%)	-62.4	1.0	-19.2	-3.5	5.0	9.1	5.2
31	ATMs (Sch. Svc.) (%)	-39.9	7.5	-9.6	2.1	5.9	12.2	14.6
32	Operating Revenues per RTM (%)	-54.2	-1.0	-4.5	1.2	-4.0	-4.8	0.2
33	Operating Expense per RTM (%)	-61.1	6.7	3.5	11.7	5.7	4.0	8.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
FEDERAL EXPRESS CORP.

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,814.6	3,835.0	15,146.5	15,166.9	15,184.9	15,424.9	15,606.2
2	Operating Expenses	3,665.0	3,609.2	14,444.2	14,388.4	14,600.6	14,639.9	14,582.4
3	Operating Profit (Loss)	149.6	225.7	702.4	778.5	584.3	785.0	1,023.7
4	Net Income (Loss)	75.4	151.5	376.8	453.0	395.5	451.6	595.3
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	2.07	1.78	7.73	7.44	7.23	7.31	7.42
6	ATMs - Scheduled Rev. Svc.	3.43	2.98	12.94	12.49	12.05	12.01	11.93
7	Overall RTMs (All Services)	2.12	1.83	7.89	7.61	7.49	7.63	7.79
8	Overall ATMs (All Services)	3.51	3.08	13.21	12.79	12.51	12.56	12.54
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	180.3	209.6	191.9	199.3	202.7	202.1	200.3
10	Operating Expense per RTM	173.2	197.2	183.0	189.1	194.9	191.8	187.1
11	Operating Profit (Loss) per RTM	7.1	12.3	8.9	10.2	7.8	10.3	13.1
12	Operating Expense per ATM	104.5	117.2	109.3	112.5	116.7	116.5	116.3
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.79	2.84	2.91	3.02	3.05
15	Times Interest Earned	*	*	11.22	14.70	12.14	12.69	14.88
16	Current Assets to Current Liabilities	*	*	1.14	1.09	1.10	0.99	1.18
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.8	3.5	2.8	2.7	3.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	3.9	5.9	4.6	5.1	3.8	5.1	6.6
19	Net Income to Stockholders Equity	*	*	8.6	10.6	9.5	11.1	14.7
20	Corporate Return on Investment	*	*	8.0	9.4	8.6	10.0	13.0
21	Debt to Total Investment	*	*	18.4	20.1	19.4	19.8	20.0
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	60.3	59.4	59.8	59.5	59.9	60.8	62.1
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	93,340	93,667	93,938	94,019	93,784	93,089	92,975
25	Overall RTM's per Employee (000)	22.7	19.5	84.0	80.9	79.9	82.0	83.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.5	0.3	-3.0	-2.8	-1.9	1.5	4.9
27	Operating Expenses (%)	1.5	-0.4	-1.0	-1.4	0.8	2.7	4.4
28	Operating Profit (Loss) (in Millions \$)	-76.1	24.4	-321.3	-220.9	-411.2	-162.5	112.7
29	Net Income (Loss)(in Millions \$)	-76.1	49.8	-218.5	-92.4	-153.4	-76.0	104.2
30	RTMs (Sch. Svc.) (%)	15.6	-2.4	1.3	-2.9	-3.7	0.6	5.5
31	ATMs (Sch. Svc.) (%)	13.8	2.3	5.4	2.5	1.7	4.0	5.6
32	Operating Revenues per RTM (%)	-14.0	2.7	-4.2	0.2	1.9	0.9	-0.6
33	Operating Expense per RTM (%)	-12.2	2.0	-2.2	1.5	4.7	2.1	-1.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

QUARTERLY FINANCIAL & TRAFFIC REVIEW
SYSTEM OPERATIONS
UNITED PARCEL SERVICE

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2002/03	2001/03	2002/03	2001/12	2001/09	2001/06	2001/03
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	663.3	700.1	2,678.8	2,715.6	2,709.4	2,712.7	2,646.2
2	Operating Expenses	631.3	653.0	2,592.8	2,614.5	2,604.0	2,564.7	2,483.4
3	Operating Profit (Loss)	32.0	47.1	86.0	101.1	105.4	148.0	162.8
4	Net Income (Loss)	-3.5	21.0	-10.6	14.0	8.9	44.9	67.5
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.40	0.39	1.67	1.66	1.64	1.62	1.55
6	ATMs - Scheduled Rev. Svc.	0.60	0.57	2.47	2.44	2.39	2.30	2.19
7	Overall RTMs (All Services)	1.04	1.03	4.30	4.30	4.29	4.34	4.34
8	Overall ATMs (All Services)	1.82	1.72	7.36	7.27	7.14	7.03	6.96
	<u>YIELD & UNIT COST & PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	63.5	67.6	62.2	63.2	63.2	62.5	60.9
10	Operating Expense per RTM	60.5	63.1	60.2	60.9	60.7	59.0	57.2
11	Operating Profit (Loss) per RTM	3.1	4.6	2.0	2.4	2.5	3.4	3.7
12	Operating Expense per ATM	34.8	38.0	35.2	36.0	36.5	36.5	35.7
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.58	0.60	0.61	0.63	0.63
15	Times Interest Earned	*	*	2.22	3.62	2.63	4.45	5.13
16	Current Assets to Current Liabilities	*	*	0.69	0.66	2.76	2.45	2.90
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.7	4.0	4.2	4.6	3.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	4.8	6.7	3.2	3.7	3.9	5.5	6.2
19	Net Income to Stockholders Equity	*	*	-1.0	1.4	0.9	4.6	6.9
20	Corporate Return on Investment	*	*	0.4	0.9	0.8	1.7	2.3
21	Debt to Total Investment	*	*	76.1	76.5	80.5	79.2	78.3
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	57.5	60.3	58.5	59.1	60.1	61.8	62.4
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment & Productivity:</u>							
24	Employment, Total Weighted Avg CY	5,522	5,354	5,585	5,543	5,426	5,277	5,133
25	Overall RTM's per Employee (000)	189.1	193.3	770.7	774.9	790.4	823.1	846.2

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.3	19.9	1.2	7.3	7.6	15.7	17.5
27	Operating Expenses (%)	-3.3	11.9	4.4	8.3	11.4	14.6	15.8
28	Operating Profit (Loss) (in Millions \$)	-15.1	47.0	-76.8	-14.6	-75.3	41.8	55.3
29	Net Income (Loss)(in Millions \$)	-24.5	30.3	-78.1	-23.2	-102.1	-13.7	9.6
30	RTMs (Sch. Svc.) (%)	0.9	-1.4	-0.9	-1.4	-1.9	0.6	2.5
31	ATMs (Sch. Svc.) (%)	5.7	-7.0	5.8	2.5	-2.0	-6.4	-8.3
32	Operating Revenues per RTM (%)	-6.1	21.6	2.1	8.8	9.7	15.1	14.7
33	Operating Expense per RTM (%)	-4.1	13.5	5.2	9.9	13.5	13.9	13.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**COMPARISON OF OPERATING PROFIT (LOSS) AND NET INCOME (LOSS)
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED MARCH 2002**

Operating Profit (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	\$Chg	3/2001	3/2002	\$Chg
System Passenger Majors	(858.5)	(2,767.6)	(1,909.1)	3,924.9	(13,595.8)	(17,520.7)
Alaska	(31.6)	(41.8)	(10.2)	(29.1)	(74.9)	(45.8)
America West	(25.3)	(121.6)	(96.3)	(49.9)	(416.4)	(366.5)
American Eagle	(6.6)	(19.8)	(13.2)	56.6	(269.2)	(325.8)
American Trans Air	(0.7)	7.6	8.3	14.3	(76.2)	(90.5)
American	(121.1)	(732.5)	(611.4)	807.2	(5,188.4)	(5,995.6)
Continental	97.1	(233.8)	(330.9)	654.4	(653.4)	(1,307.8)
Delta	(127.2)	(409.8)	(282.6)	1,058.7	(1,254.7)	(2,313.4)
Northwest	(230.6)	(190.8)	39.8	415.4	(756.8)	(1,172.2)
Southwest	209.9	49.6	(160.3)	1,074.9	470.9	(604.0)
United	(428.1)	(705.9)	(277.8)	25.5	(4,020.9)	(4,046.4)
US Airways	(194.3)	(368.7)	(174.4)	(103.2)	(1,355.8)	(1,252.6)
System Cargo Majors	228.1	184.6	(43.5)	1,085.9	608.5	(477.4)
DHL Airways	(44.8)	3.0	47.8	(100.6)	(179.9)	(79.3)
Federal Express	225.7	149.6	(76.1)	1,023.7	702.4	(321.3)
United Parcel Service	47.1	32.0	(15.1)	162.8	86.0	(76.8)
System Total Majors	(630.5)	(2,582.9)	(1,952.4)	5,010.8	(12,987.3)	(17,998.1)

Net Income (Loss) (\$Millions)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	\$Chg	3/2001	3/2002	\$Chg
System Passenger Majors	(955.6)	(2,467.9)	(1,512.3)	1,153.5	(9,499.1)	(10,652.6)
Alaska	(21.6)	(28.2)	(6.6)	(20.8)	(16.7)	4.1
America West	(13.1)	(337.3)	(324.2)	(29.1)	(472.7)	(443.6)
American Eagle	(17.6)	(33.2)	(15.6)	(23.3)	(241.8)	(218.5)
American Trans Air	(7.0)	1.1	8.1	(11.7)	(69.9)	(58.2)
American	(211.5)	(552.2)	(340.7)	270.9	(2,653.7)	(2,924.6)
Continental	6.1	(174.5)	(180.6)	309.7	(278.1)	(587.8)
Delta	(137.5)	(398.0)	(260.5)	316.5	(1,367.6)	(1,684.1)
Northwest	(190.1)	(173.0)	17.1	85.8	(401.0)	(486.8)
Southwest	121.0	21.4	(99.6)	650.6	411.5	(239.1)
United	(321.4)	(495.9)	(174.5)	(188.7)	(2,284.7)	(2,096.0)
US Airways	(163.1)	(298.2)	(135.1)	(206.4)	(2,124.5)	(1,918.1)
System Cargo Majors	122.6	73.4	(49.2)	556.0	201.4	(354.6)
DHL Airways	(49.9)	1.5	51.4	(106.8)	(164.9)	(58.1)
Federal Express	151.5	75.4	(76.1)	595.3	376.8	(218.5)
United Parcel Service	21.0	(3.5)	(24.5)	67.5	(10.6)	(78.1)
System Total Majors	(833.0)	(2,394.6)	(1,561.6)	1,709.5	(9,297.7)	(11,007.2)

**COMPARISON OF PASSENGER LOAD FACTOR AND PASSENGER YIELD
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED MARCH 2002**

Passenger Load Factor (Percent)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	Pt.Chg.	3/2001	3/2002	Pt.Chg.
System Passenger Majors	68.4	70.4	2.0	72.8	70.8	(2.0)
Alaska	65.4	66.7	1.3	68.9	68.7	(0.2)
America West	69.2	70.1	0.9	71.1	72.2	1.1
American Eagle	54.0	58.8	4.8	59.7	59.0	(0.7)
American Trans Air	75.9	72.4	(3.5)	76.3	76.0	(0.3)
American	67.3	69.4	2.1	72.4	69.5	(2.9)
Continental	70.6	73.8	3.2	74.6	73.6	(1.0)
Delta	67.3	69.3	2.0	72.9	69.6	(3.3)
Northwest	73.1	76.0	2.9	76.7	75.1	(1.6)
Southwest	67.2	62.9	(4.3)	70.5	67.0	(3.5)
United	68.4	72.2	3.8	72.4	71.7	(0.7)
US Airways	66.2	68.5	2.3	70.7	69.5	(1.2)
System Cargo Majors	-	-	-	-	-	-
DHL Airways	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
United Parcel Service	-	-	-	-	-	-
System Total Majors	68.4	70.4	2.0	72.8	70.8	(2.0)

Scheduled Passenger Yield (Cents)						
Group/Carrier	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	Pct.Chg.	3/2001	3/2002	Pct.Chg.
System Passenger Majors	13.55	11.78	(13.1)	13.36	11.92	(10.8)
Alaska	13.01	12.26	(5.8)	13.28	12.62	(5.0)
America West	11.31	10.24	(9.5)	11.26	9.86	(12.4)
American Eagle	40.91	32.45	(20.7)	38.93	34.47	(11.5)
American Trans Air	9.95	9.32	(6.3)	9.96	9.17	(7.9)
American	14.37	12.51	(12.9)	13.81	12.49	(9.6)
Continental	13.85	11.96	(13.6)	13.31	11.97	(10.1)
Delta	13.45	11.67	(13.2)	13.17	11.73	(10.9)
Northwest	11.87	10.62	(10.5)	12.04	10.94	(9.1)
Southwest	12.76	11.45	(10.3)	12.83	11.58	(9.7)
United	12.97	10.88	(16.1)	12.99	11.04	(15.0)
US Airways	15.88	13.65	(14.0)	15.82	13.78	(12.9)
System Cargo Majors	-	-	-	-	-	-
DHL Airways	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
United Parcel Service	-	-	-	-	-	-
System Total Majors	13.55	11.78	(13.1)	13.36	11.92	(10.8)

**COMPARISON OF OPERATING PROFIT MARGIN, DEBT TO INVESTMENT AND TOTAL DEBT
FOR INDIVIDUAL MAJORS
QUARTER AND 12 MONTHS ENDED MARCH 2002**

Group/Carrier	Operating Profit Margin (Percent)					
	Quarterly Data			12 Month Ended Data		
	3/2001	3/2002	Pt. Chg.	3/2001	3/2002	Pt. Chg.
System Passenger Majors	(3.7)	(15.3)	(11.6)	4.0	(15.8)	(19.8)
Alaska	(7.5)	(10.1)	(2.6)	(1.6)	(4.3)	(2.7)
America West	(4.4)	(26.6)	(22.2)	(2.1)	(21.8)	(19.7)
American Eagle	(2.1)	(7.3)	(5.2)	4.4	(22.5)	(26.9)
American Trans Air	(0.2)	2.6	2.8	1.2	(6.7)	(7.9)
American	(2.3)	(19.2)	(16.9)	3.7	(22.9)	(26.6)
Continental	4.2	(13.3)	(17.5)	6.8	(8.5)	(15.3)
Delta	(3.6)	(14.0)	(10.4)	6.9	(10.0)	(16.9)
Northwest	(9.2)	(9.2)	-	3.8	(8.3)	(12.1)
Southwest	14.7	3.9	(10.8)	18.4	8.7	(9.7)
United	(9.7)	(22.1)	(12.4)	0.1	(27.0)	(27.1)
US Airways	(8.7)	(21.8)	(13.1)	(1.1)	(17.6)	(16.5)
System Cargo Majors	4.6	4.1	(0.5)	5.5	3.2	(2.3)
DHL Airways	(12.1)	4.7	16.8	(6.7)	(15.6)	(8.9)
Federal Express	5.9	3.9	(2.0)	6.6	4.6	(2.0)
United Parcel Service	6.7	4.8	(1.9)	6.2	3.2	(3.0)
System Total Majors	(2.2)	(11.4)	(9.2)	4.2	(12.4)	(16.6)

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	3/2001	3/2002	Pt.Chg.	3/2001	3/2002	\$ Chg.
System Passenger Majors	53.5	67.4	13.9	34,371.8	49,636.2	15,264.4
Alaska	47.4	57.5	10.1	614.3	906.3	292.0
America West	20.5	66.5	46.0	224.0	855.5	631.5
American Eagle	90.7	99.3	8.6	2,444.0	2,716.0	272.0
American Trans Air	84.1	98.3	14.2	488.9	577.8	88.9
American	48.0	60.3	12.3	5,505.2	8,828.3	3,323.1
Continental	75.0	81.7	6.7	4,032.1	5,455.2	1,423.1
Delta	52.2	69.1	16.9	5,795.4	8,341.3	2,545.9
Northwest	42.3	58.0	15.7	3,576.5	5,901.0	2,324.5
Southwest	19.2	29.8	10.6	864.8	1,742.0	877.2
United	59.1	70.6	11.5	7,652.0	10,579.9	2,927.9
US Airways	66.3	120.2	53.9	3,174.5	3,733.0	558.5
System Cargo Majors	48.4	44.6	(3.8)	4,878.4	4,668.0	(210.4)
DHL Airways	97.2	19.1	(78.1)	372.5	22.1	(350.4)
Federal Express	20.0	18.4	(1.6)	1,058.1	1,031.9	(26.2)
United Parcel Service	78.3	76.1	(2.2)	3,447.8	3,614.1	166.3
System Total Majors	52.80	64.50	11.7	39,250.2	54,304.2	15,054.0

FOOTNOTES

- * Not calculated on a quarterly basis.
- ** Cannot be calculated because balance sheet data not presented on an entity basis.
Data presented only on a system basis.
- ++ Not calculated for all-cargo carriers.
- # Meaningful calculation cannot be made because of negative data.
- & Over +/- 500 percent.

EXPLANATION OF LINE ITEMS

LINE #	DESCRIPTION OF LINE ITEM	DERIVATION OF LINE ITEM
1	Operating Revenues	Operating Revenues (Account 4999)
2	Operating Expenses	Operating Expenses (Account 7199)
3	Operating Profit or Loss	Operating Profit (Account 7999)
4	Net Income or Loss	Net Income (Account 9899)
5	Overall Revenue Ton-miles	Overall Revenue Ton-miles (Item Z-240)
6	Overall Available Ton-miles	Overall Available Ton-miles (Item Z-280)
7	Revenue Passenger-Miles (Scheduled Service)	Total scheduled revenue passenger-miles (Item K-140)
8	Available Seat-Miles (Scheduled Service)	Total scheduled available seat-miles (Item K-280)
9	Operating revenue per revenue ton-mile	<u>Operating revenues (Account 4999)</u> Overall revenue ton-miles (Item Z-240)
10	Operating expense per revenue ton-mile	<u>Operating expenses (Account 7199)</u> Overall revenue ton-miles (Item Z-240)
11	Operating profit per revenue ton-mile	<u>Operating profit (Account 7999)</u> Overall revenue ton-miles (Item Z-240)
12	Operating expense per available ton-mile	<u>Operating expenses (Account 7199)</u> Overall available ton-miles (Item Z-280)
13	Passenger revenue per revenue passenger-mile (scheduled service)	<u>Passenger revenues (scheduled service) (Account 3901)</u> Total revenue passenger-miles (scheduled service (Item K-140)
14	Operating revenues to total investment	<u>Operating revenue (Account 4999)</u> Total investment (See line 20)
15	Times interest earned	<u>Income Before income taxes (Account 8999) + interest on long-term debt and capital leases (Account 8181) + Other interest expense (Account 8182)</u> Interest on long-term debt and capital leases (Account 8181) + Other interest expense (Account 8182)
16	Current assets to current liabilities	<u>Current assets (Account 1499)</u> Current liabilities (Account 2199)
17	Number of days coverage of cash operating expenses	<u>Cash (Account 1010) + short-term investments (Account 1100)</u> [Total operating expenses (Account 7199) less depreciation and amortization (Account 7000)]/365
18	Operating Profit to operating revenues	<u>Operating profit (Account 7999)</u> Operating revenues (Account 4999)
19	Net income to stockholders' equity	<u>Net income (Account 9999)</u> Stockholders' equity (Account 2995) (5 Quarter average)

EXPLANATION OF LINE ITEMS

LINE #	DESCRIPTION OF LINE ITEM	DERIVATION OF LINE ITEM
20	Overall corporate rate of return	<p>Net income plus interest expense</p> <hr/> <p>Total investment</p> <p>Net income plus interest expense is: Net income (Account 9899) + interest on long-term debt and capital leases (Account 8181) + other interest expense (Account 8182) + amortization of debt discount, premium and expense (Account 8184).</p> <p>Total investment is: Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) + stockholders' equity (Account 2995) - unamortized debt expense (Account 1840). (A five-quarter average is used).</p>
21	Debt to total investment (end of period)	<p>Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) - unamortized debt expense (Account 1840)</p> <hr/> <p>Total investment (See line 20)</p>
22	Actual passenger load factor (scheduled service)	<p>Revenue passenger-miles (scheduled service (Item K-140)</p> <hr/> <p>Available seat-miles (scheduled service (Item K-280)</p>
23	Operating breakeven load factor (scheduled service)	<p>Capacity operating expense, scheduled service (passenger)</p> <hr/> <p>[Scheduled passenger revenue (Account 3901) - Traffic operating expense, passenger scheduled service] / Actual passenger load factor, scheduled service</p>
24	Difference, actual-breakeven load factor	<p>Actual (Line 22) - Breakeven (Line 23)</p>
25	Employees	<p>Number of full time employees (Average for 12-month ended period)</p>
26	Overall revenue ton-miles per employee	<p>Overall revenue ton-miles (Item Z-240)</p> <hr/> <p>Average # of employees (See Line 25)</p>